# The Influence of Capital, Labor, and Explanation on Farmers' Income in Punduttrate Village Benjeng Gresik

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#### **ABSTRAK**

Penelitian ini bertujuan untuk melakukan pengujian Pengaruh Modal, Tenaga Kerja, dan Penyuluhan Terhadap Pendapatan Petani di Desa Punduttrate Benjeng Gresik. Research gap dalam penelitian ini yaitu petani di desa punduttrate mengelola lahannya sendiri dengan modal dan tenaga kerja yang penting akan tetapi penyuluhan yang kurang diminati oleh petani karena mereka mengandalkan pengalaman yang mereka miliki. Jumlah sampel yang digunakan dalam penelitian ini sebanyak 81 responden. Teknik analisis untuk menguji hipotesis menggunakan Statistical Package for the Social Sciences. Hasil dari penelitian ini menunjukkan bahwa modal berpengaruh signifikan terhadap pendapatan, tenaga kerja berpengaruh signifikan terhadap pendapatan, dan penyuluhan tidak berpengaruh signifikan terhadap pendapatan.

Kata kunci: Modal, Tenaga Kerja, Penyuluhan, Pendapatan

#### **ABSTRACT**

This study aims to examine the effect of capital, labor, and counseling on farmers' income in the village of Punduttrate Benjeng Gresik. The research gap in this study is that farmers in the village of Punduttrate manage their own land with important capital and labor but extension services are less attractive to farmers because they rely on the experience they have. The number of samples used in this study were 81 respondents. The analytical technique to test the hypothesis is using the Statistical Package for the Social Sciences. The results of this study indicate that capital has a significant effect on income, labor has a significant effect on income, and counseling has no significant effect on income.

Keywords: Capital, Labor, Counseling, Income

#### INTRODUCTION

The agricultural sector is a very important sector in the economy of most developing countries. This is clearly seen in the role of the agricultural sector in accommodating the population and providing employment. Even if the priority of industrialization policy is lowered, more attention should be paid to agricultural development, but this agricultural sector can also create a surplus. This occurs when productivity increases, which increases farmers' incomes and allows savings and capital accumulation. Farmers receive a higher standard of living by increasing their income. To obtain high incomes, they also carry out various activities that develop other agricultural product opportunities that are economically profitable if agricultural land allows (Lumintang; 2013).

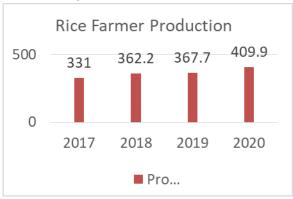


Source: Badan Pusat Statistik Benjeng 2020

Figure 1: Total population

Based on the graph above, Punduttrate Village, Benjeng District, Gresik Regency, the majority of the population is farmers. These farmers mostly cultivate their own fields. Farmers carry out the process of planting rice to harvesting it for approximately three months. In the period from planting to harvesting rice, farmers also spend a lot of capital and extra labor in the production period.

The phenomenon of this research is based on the results of pre-research conducted by researchers on farmers in the village of Punduttrate Benjeng Gresik as many as 25 respondents, there are 72% of farmers who use their own capital and the remaining 28% use loan capital, 24% use their own labor and 76% use labor. Farmers and their knowledge are self-taught as much as 76% and the remaining 24% gain knowledge from counseling. Although using their own capital, farm labor and self-taught knowledge, this can increase the income of farmers in Punduttrate Benjeng Gresik Village.



Source: gresikkab.bps.go.id

Figure 1: Rice Farmer Production

The graph above explains that annual rice production has increased, as shown from 2017 as much as 331 tons, an increase of 362.2 tons in 2018 then an increase of 367.7 tons in 2019 and by 409.9 tons in 2020.

The research gap in this study is that farmers in the village of Punduttrate manage their own land with important capital and labor but extension services are less attractive to farmers because they rely on the experience they have. This statement is supported by research (Masdari; 2020) which states that capital affects income, (Hamzah and Devi; 2019) which states that labor affects income and research (Khairunnisa et al; 2021) which states that extension has no effect on income. This research is different from research conducted by (Wardani et al; 2019) which states that capital has no effect on income, research (Polandos et al; 2019) states that labor has no influence and research (Hutabara et al; 2021) which states that extension has a very big influence in increasing income.

## LITERATURE REVIEW Capital

According to Komorzy in Riyanto, (2011: 18) views capital as the expected power to use capital goods that have not been used. According to Rivanto (2011:57) states that every company always needs working capital to finance its daily operations, for example to provide additional purchases of raw materials, pay labor wages, employee salaries and so on, where the money or funds that have been issued are expected to be will be able to reenter the company in a short time through the sale of its production. According to (Putri et al., 2014:4) in the research of Alifiana et al (2021) the indicators of business capital are: Capital structure: own capital and loan capital, Utilization of additional capital, Barriers to accessing external capital, and business conditions after adding capital.

#### Labor

Labor is a unique agricultural production factor, both in the amount used, quality, and supply and demand. Likewise, the daily wage varies from one region to another (Nurmala, et al, (2012:118). The factors used in the measurement of labor include the quantity of work, quality of work and timeliness.

#### Counseling

Yunis (2016) argues that extension is a social science that studies systems and

processes of change in individuals or communities so that change can be more effective as expected. Counseling can be seen as a form of education for adults. Extension can help farmers to understand the influence of socio-economic structures and technology to achieve a better life, and find ways to change the structures or situations that prevent them from achieving these goals. Extension can help farmers to predict the chances of success by using all the consequences, and provide broad insight that can be influenced by various social and economic aspects (Yunis and Zulkifli, 2016). According to RI Law No. 16 of 2006 that counseling is aimed at empowering key players and business actors in capacity building through creating a conducive business growing motivation, developing climate, potential, providing opportunities, increasing awareness and providing assistance and facilitation.

#### **Income**

Income is the total revenue received by a business or person in the form of money as a result of activities that have been carried out by that person, such as selling products or services (Salsabila and Fahraty; 2019). ). In the research of Alifiana et al (2021) income indicators are: Elements of income, sources of income, and costs.

#### **METHOD**

The method used in this research is quantitative research. The objects chosen to complete the completion of this research are the farmers located in Punduttrate Village, Benjeng District, Gresik Regency. This research population is farmers who manage their own land in Punduttrate Village, Benjeng District, Gresik Regency as many as 414 farmers. The sampling method is using Non Probability Sampling with purposive Sampling technique with criteria for farmers in Punduttrate village, Benjeng district, Gresik Regency and farmers who use their own land. So, the number of samples used in this study

were 81 respondents. This study uses primary data types. Data collection techniques in this study is a list of questions (questionnaire). The researcher made a questionnaire and it offline distributed by visiting the respondent's house and assisted by the local RT head. Answers in each item using a Likert scale. The data analysis technique used in this study is a multiple linear regression analysis model using the dependent variable income (Y) and using the independent variables, namely capital( $X_1$ ), labor ( $X_2$ ), conselling ( $X_3$ ).

#### **RESULTS**

Capital (X1) to Income (Y). This study aims to determine whether or not there is an influence between the variables of capital and income on farmers in the village of Punduttrate Benjeng Gresik. Based on the results of the research conducted, it can be concluded that the capital variable has a positive and significant effect on income. The results of this study are in accordance with the theory proposed by Moechar Daniel (2012) which states that capital adequacy affects the timeliness and accuracy of doses in the use of inputs. Lack of capital will lead to a lack of input provided, causing the risk of failure and the results to be accepted. Which means that the level of capital will have an effect on income.

Labor (X2) Against Income (Y). This study aims to determine whether or not there is an influence between labor and income variables for farmers in the village of Punduttrate Benjeng Gresik. Based on the results of the research conducted, it can be concluded that the labor variable has a positive and significant effect on income. The results of this study are in accordance with the theory put forward by Nurmala (2012), a very important factor in driving a business, namely labor because without labor, a production will not run. Labor shortages can hinder planting and affect crop growth, productivity and product quality, thereby affecting the yields achieved by farmers.

Counseling (X3) on Income (Y). This study aims to determine whether or not there is an influence between the extension variable and the income of farmers in the village of Punduttrate Benjeng Gresik. Based on the results of the research conducted, it can be concluded that the extension variable has a positive but not significant effect on income. . This is because the extension does not have direct contact with the post to be issued by the farmer so that it cannot affect the income of farmers in the village of Punduttrate Benjeng Gresik. This study says that there is no significant effect supported by Khairunnisa et al (2021). This can be seen from the results of the answers to each respondent who tend to have different points of view on counseling. However, it is different from the research conducted by Hutabarat (2021) which says that extension has an effect on income.

#### **DISCUSSION**

Based on the results of data processing in the previous chapter, it can be concluded that:

- Capital has a positive and significant effect on farmers' income in Punduttrate Village, Benjeng District, Gresik Regency
- Labor has a positive and significant effect on farmers' income in Punduttrate Village, Benjeng District, Gresik Regency
- c. Counseling has a positive but not significant effect on farmers' income in Punduttrate Village, Benjeng District, Gresik Regency

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