The Effect of Business Capital and Labor on the Development of MSMES Through BPUM in the Padang Sidempuan City on the Islamic Perspective

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Abstract

This study analyzes the development path of MSMEs through business capital assistance funds, especially from the Government's Islamic economic perspective. The variables used in this study are business capital, labor and marketing. This research uses a quantitative type of research with statistical analysis. The research population is all MSMEs in padang Sidimpuan city which amounts to 10532 MSME actors. Determination of the sample using the Slovin formula. The variables used in this research consist of the variable Business capital (X1), the Labor variable (X2), the Marketing variable (Z), and the MSME Development variable (Y). The stages carried out in analysing the data of this study are as follows: 1. Descriptive Analysis. 2. Data Instrument Quality Analysis. 3. Analysis of Classical Assumptions. 4. Hypothesis Analysis and. 5. Path Analysis. The results showed that business capital, labor, had a positive influence on the marketing and development of MSMEs. the higher the business capital of msme actors, the better the marketing of an MSME. If the labor level of MSME actors is good, marketing will increase as well. the better the marketing of a business, the better the development of the business so that. If a business already has good business capital, the development of MSMEs is good. The main contribution of this study concern on the influence of BPUM (Banpres Productive Micro Enterprises) on the development of MSMEs is seen from the aspects of business capital, labor, and marketing in the city of Padang Sidimpuan..

Keywords: *Capital; workforce; marketing; MSMEs*

1. INTRODUCTION

National economic growth is largely determined by regional economic developments, while regional economies are generally supported by small and medium-scale economic activities. Business units that fall into the category of Micro, Small and Medium Enterprises (MSMEs) are the lifeblood of the regional and national economy. The number of MSMEs reaches around 99% of the population of business units, and accommodates more than 92% of the total workforce. From the national economic growth rate of 5.0%, MSMEs contribute a growth rate of around 3.0%, higher than the growth rate of large businesses. From this preliminary data, it shows how strategic the development of MSMEs is.

The Micro, Small and Medium Enterprises (MSMEs) sector is one of the consistent and growing business fields. The reason MSMEs are more concerned than large enterprises among international circles is because MSMEs make an influential contribution to the economy. Currently, around 99% of economic actors are mostly MSME business actors who continue to grow significantly and become a business sector that is able to support national economic stability. MSMEs are increasingly resilient and remain optimistic in the midst of a crisis. When there is a global crisis, MSME actors continue to move. The government has provided empowerment efforts in the form of policies, programs and activities to further strengthen this MSME sector. However, these empowerment efforts have not provided maximum results and leverage to MSME actors in particular, and the community in general.

MSMEs also create jobs faster than other

business sectors, and MSMEs also make an important contribution in exports and trade. The following is the number of MSMEs in the city of Padang Sidimpuan from Padang Sidimpuan City Regional Trade Office:

Table 1. Number of MSMEs in Padang Sidimpuan City in 2021

No.	Places	Amount
1	Batang Ayumi Jae	105
2	Batang Ayumi Julu	30
3	Bincar	10
4	Bonan Dolok	10
5	Kantin	15
6	Kayu Ombun	20
7	Losung Batu	27
8	Payanggar	13
9	Sadabuan	55
10	Tano Bato	15
11	Timbangan	50
12	Tobat	15
13	Wek. I	40
14	Wek. II	27
15	Wek. III	18
16	Wek. IV	20
	Jumlah	2.443

Source: Sidimpuan City Regional Trade Office

Based on the number of MSMEs in Padang Sidimpuan City in 2019, the highest number of MSMEs is in Batang Ayumi Jae Village, which has 105 businesses. And the least is in bincar and Bonan Dolok villages, which are 10 businesses each.

Micro, small and medium enterprises, or commonly called MSMEs, have become one of the most severe victims due to the Covid-19 pandemic, which has lasted more than a year and it is not yet clear when it will end. A survey by the Central Statistics Agency (BPS) entitled The Impact of Covid-19 on Business Actors which was held on July 10-26, 2020, found that 42 percent of business actors could only survive for three months, namely from July to October 2020. While the other 58 percent can still stay above 3 months. This estimate arises when there are no operational changes and intervention from the government.

Chairman of the Indonesian MSME Association (Akumindo), Ikhsan Ingratubun admitted that the low ability of entrepreneurs to survive and is indeed fragile, but he is also able to transform himself quickly and adaptively. According to the Executive Director of the Center of Reform on Economics (Core), Mohammad Faisal, how much MSMEs are able to survive depends on the scale of their business. He said

microenterprises are the lowest ability to survive. In addition, the business sector is also decisive. MSMEs engaged in sectors other than basic needs may not have the ability to last for a long time. The same survey said that there are various assistance needed by business actors. For MSEs, the most needed is business capital, which is around 69.02 percent. They also need help in the form of electricity bill relief (41.18 percent); relaxation of loan payments (29.98 percent); delay in tax payments (15.07 percent); and ease of administration of loan applications (17.21 percent).

For UMB, the most needed are electricity bill relief of 43.53 percent, relaxation of loan payments (40.32 percent), delay in tax payments (39.61 percent), business capital assistance (35.07 percent), and ease of administration for loan applications (14.44 percent). The previous government has provided incentives for MSMEs in the national economic recovery (PEN) program. The amount is also quite large, which is around Rp123.46 trillion. Of this amount, assistance is provided through various programs such as: placement of funds in banks for working capital, credit interest subsidies, productive presidential assistance (banpres) of IDR 2.4 million, and so on.

The assistance was also felt by Micro, Small and Medium Enterprises (MSMEs) in Padang Sisimpuan City. The assistance provided is an additional capital for MSME entrepreneurs amounting to IDR 2.4 million through the MSME Industry, Trade, and Cooperatives Office. According to Gustomi Hamonangan Siregar as Head of Trade and MSMEs in Padang Sidimpuan City, the total presidential assistance program for MSMEs as many as 12 million MSMEs throughout Indonesia will receive the assistance and for the City of Padang Sidimpuan itself he targets 7,205 MSMEs to be validated at the Ministry (Arief, 2021). In addition, the Padangsidimpuan City Trade Office alone has proposed as many as 2,900 Micro, Small and Medium Enterprises to participate in the working capital grant program from the government. With the assistance of business capital from the Government, it is hoped that MSMEs in the city of Padang Sidimpuan can develop which will later become the forerunners of other businesses and can encourage the economy in the city of Padang Sidimpuan which is suspected to be influenced by business capital, labor and marketing**.**

The number of MSME actors who received

assistance from the president and compared to the number of MSME actors was very minimal who received assistance. The number of msmes receiving assistance from the president was 317. When compared to the number of MSMEs in the city of Padang Sidempuan, only 12% of MSME actors received assistance. Meanwhile, if viewed from the field, these MSME actors deserve to get assistance, especially after the Covid19 pandemic..

Employment is a measure of the development of MSMEs, which in theory the larger the number of workers, the more developed the MSME business so that MSMEs will be upgraded from Micro to medium. Marketing is also no less important in increasing capital turnover.

Business capital is one of the factors that plays the most role in business continuity and will later affect business capital. According to the Big Dictionary Indonesian turnover is the total amount of sales of goods or services during a certain period of sales. Large capital does not always get a large profit (Kemendikbud, 2016). Business commodities also affect business capital, therefore capital is more influential than profit to see the development of a business.

According to Fitanto's research on shoe SMEs in Mojokerto, the factors that affect capital significantly are labor, capital and business network advantages. All of these variables are positively efficient which indicates that there is a positive influence of these variables on capital . The higher the number of workers, the higher the capital obtained. Likewise, the higher the amount of initial capital and the advantages of the business network owned, the higher the business capital will be (Fitanto, 2009).

Furthermore, Zuliastri saw the impact of the rollout of special savings and loan funds for PNPM Mandiri Perdesaan on the development of MSMEs in a case study in Cimarga District, Lebak Regency, Banten Province. This study analyzes the impact of the rollout of women's savings and loans funds on the development of MSMEs, which is seen based on indicators of business capital, profits and employment. The analysis method used is a descriptive method with quantitative and qualitative approaches, a multiple linear regression method using simultaneous equations and to estimate regression parameters using Two-Stage Least Squares. The results showed that the SPP revolving loan program succeeded in increasing the income of business actors by increasing business

capital by 36.05%. In addition to capital, business profits also increased by 36.08%. SPP revolving fund loans have a positive and significant effect on business capital. The greater the value of the capital obtained, the greater the business profit. Business capital then has a real effect on the profits obtained and business profits affect the absorption of labor (Fikanti, 2012).

In addition, according to Arinda in her research entitled Analysis of the Effect of Initial Capital on Micro Business Capital in Dramaga, Bogor explained that the amount of initial capital has a real effect on increasing business capital. Although it has a real effect, it is not always a large initial capital that provides a large capital either. It can be seen that 53% of respondents who have micro-enterprises have a larger initial capital than business capital. The remaining 47% of respondents' initial business capital is smaller than business capital (Risky, 2014).

Business Capital is needed to develop a business that will later increase capital, so that the initial capital must be used optimally so that capital continues to grow. So it can be concluded that the amount of initial capital has a significant effect on the development of capital. It can be concluded that a large initial capital does not guarantee that you will get a large business capital either. The results of linear regression show that the amount of initial capital has a significant effect on the development of business capital. Capital and capital are interconnected in a business.

The definition of MSMEs themselves can also be seen from the assets and turnover of a business. Micro-enterprises are businesses with a maximum asset of IDR 50 million and a turnover of IDR 300 million per year. Small businesses have assets between Rp 50 – 500 million with a turnover of between Rp 300 million – 2.5 billion per year. Meanwhile, medium-sized businesses have assets between Rp 500 million to 10 billion and turnover of Rp 2.5 – 10 billion per year. From year to year, the total number of MSME units in Indonesia and its GDP continues to grow. From 2010 to 2017, the total GDP of MSMEs increased more than 2 times. The total number of MSME units in Indonesia has now reached around 62.9 million units spread across various sectors. Around 99.9% of businesses in Indonesia are MSMEs. Apart from GDP and business units, the investment value of MSMEs from 1999 to 2013 also increased rapidly, to be precise by 963%. As of 2018, MSMEs accounted for 58.18% of total investment. These figures show the rapid growth of MSMEs in Indonesia (Sirclo, 2021).

Table 2. Development of MSMEs in Indonesia in 2010 – 2021

Year	Number of MSMEs	MSME's Contribution to GDP
2010	54,1 Juta	58,1 %
2011	55,2 Juta	57,8 %
2012	56,5 Juta	57,6 %
2013	57,9 Juta	57,5 %
2014	57,9 Juta	56,6 %
2015	59,2 Juta	57,8 %
2016	61,7 Juta	57,2 %
2017	62,9 Juta	57,1 %
2018	64,2 Juta	57,8 %
2019	64,6 Juta	60,3 %
2020	46,3 Juta	37,3 %
2021	64,2 Juta	61,07 %

Sumber: Data diolah

Based on data from the Ministry of Cooperatives and Small and Medium Enterprises (KemenkopUKM) above in March 2021, the number of MSMEs reached 64.2 million with a contribution to gross domestic product of 61.07 percent or IDR 8,573.89 trillion. That way, MSMEs are able to absorb 97 percent of the total existing workforce, and can collect up to 60.42 percent of the total investment in Indonesia. On the other hand, the realization of BPUM has also been distributed to 12.8 million micro-enterprises with a donation value of IDR 1.2 million each. However, according to a survey by the Central Statistics Agency in 2020, around 69.02 percent of MSMEs experienced capital difficulties during the Covid-19 pandemic. Meanwhile, according to the Complaint Report to the Ministry of Cooperatives and Mineral Resources as of October 2020, as many as 39.22 percent of MSMEs experienced difficulty in capitalization during the Covid-19 pandemic. The data shows that capital assistance for MSMEs is important (Kemenkeu, 2021).

In this study, in contrast to previous studies, this study will analyze the development path of MSMEs through business capital assistance funds, especially from the Government. The variables used in this study are business capital, labor and marketing. In Arinda's research, he analyzed the socioeconomic characteristics of micro-entrepreneurs and the influence of quantity and source of capital on business capital (Risky, 2014). Meanwhile, Zuliastri analyzed the impact of the rollout of the Women's Savings and Loans fund on the development of MSMEs, which

was seen based on indicators of business capital, profits and employment. Thus, this study has differences with previous studies and there are additional variables reviewed from previous studies (Fikanti, 2012).

In addition, this research also leads to an Islamic economic perspective. As already advocated in Islam, the Government should responsible for providing a source of life for every resident for the sake of social justice. The earth and everything in it constitutes God's mandate to be best used for the common welfare, by therefore in the Qur'an the postulate that shows the duty of the caliphate or government in general is to realize prosperity and common welfare as the Word of Alllah Almighty:

وَهُوَ الَّذِيْ جَعَلَكُمْ خَلٰۤىِٕفَ الْاَرْضِ وَرَفَعَ بَعْضَكُمْ فَوْقَ بَعْضٍ دَرَجٰتٍ لِّيَبْلُوَكُمْ فِيْ مَآ اٰتٰىكُمْۗ اِنَّ رَبَّكَ سَرِيْعُ الْعِقَابِۖ وَاِنَّهٗ لَغَفُوْرٌ رَّحِيْمٌ

It means: *"And it is He who made you the caliphs of the earth and He lifts (degree) some of you above others, to test you for the (gift) He has given you. Verily your Lord is very quick to give punishment and truly He is all-forgiving again All-Merciful"* (Q.S Al-An'am:165).

Permasalahan permodalan pada penelitian ini juga disebabkan bertambahnya modal yang diberikan oleh presiden dengan tujuan untuk mensejahtrakan para pelaku umkm yang memiliki kriteria sebagai berikut:

a. Micro business actors and can prove the letter of proposal for prospective recipients from the proposer of BLT UMKM. 2. MSME actors have a Business Identification Number (NIB) or Business Certificate (SKU).
b. MSME actors do not accept People's Business Credit or KUR.
c. MSME actors are not registered as ASNs, both civil servants and PPPK.
d. MSME actors are not members of the National Police and TNI soldiers.
e. MSME actors are not employees in BUMN or BUMD (Setia, 2022).

The government in carrying out its duties must do justice, because Islam requires that everyone get their rights and not take away the rights or parts of others. As in providing assistance it should be honest and

responsible because it is a mandate. As The Word of Allah Almighty in the letter An-Nisa verse 58

اِنَّ اللّٰهَ يَأْمُرُكُمْ اَنْ تُؤَدُّوا الْاَمٰنٰتِ اِلٰٓى اَهْلِهَاْ وَاِذَا حَكَمْتُمْ بَيْنَ النَّاسِ اَنْ تَحْكُمُوْا بِالْعَدْلِ ۚ اِنَّ اللّٰهَ نِعِمَّا يَعِظُكُمْ بِهٖ ۗ اِنَّ اللّٰهَ كَانَ سَمِيْعًا ۢ بَصِيْرًا

It means: *"Verily Allah commands you to convey the commission to who is entitled to receive it* (Q.S An-Nisa' : 58).

The word amanah in the above verse has the meaning of something that entrusted to someone to be best executed. So as a aid distributor (who is given a mandate) should really convey to those who are entitled to receive for the creation of a social justice for all Indonesian people.

In general, the Government's business capital assistance fund program for MSME actors has a very good goal, but the implementation of the capital assistance fund has many problems including regarding the target, the distribution of this capital assistance fund is also enjoyed by the rich so that, the poor the poorer the richer the richer even though this assistance is intended for the poor in accordance with the criteria that have been determined by the government.

In this regard, the author conducted a study entitled The Effect of Business Capital and Labor on the Development of MSMEs through BPUM in Padang Sidimpuan City).

2. METHOD

This research uses a quantitative type of research with statistical analysis to examine certain populations and samples. The quantitative descriptive approach in this study aims to explain the extent to which the development of MSMEs is influenced by marketing in the Government in padang Sidempuan City. The research population is all MSMEs in the city of Padang Sidimpuan which amounts to 10532 MSME actors. Determination of the sample using the Slovin formula (Sanusi, 2014).

$$n = \frac{N}{1+Ne^2}$$
$$= \frac{10532}{1+10532(0,01)}$$
$$= 90.05 \text{ made into } 90$$

Information:
n : population
N : sample
d : precision value / error rate
Based on the results of the slovin formula, the number of samples is 90.

The primary data of this study came from respondents' answers to questionnaires that researchers distributed MSME actors in the city of Padang Sidempuan. The variables used in this research consist of variable Business capital (X1), variable Labor (X2), variable Marketing (Z), and variable Msme Development (Y).

Table 3. Summary of Variable Operational Definitions

No	Variable	Definition	Indicators	Scale
1	Venture capital (X1)	collectivity of capital goods contained in the balance sheet next to the debit, what is meant by capital goods is all goods that exist in the household of the enterprise in its productivity function to form income.	Capital structure	Linkert
			Utilization of additional capital	
			Barriers to accessing external capital	
			The state of the business after investing	
2	Labor (X2),	Residents who are already or are working, who are looking for work and who do other activities such as schooling and taking care of the household.	Changes in wage levels	Linkert
			Rising production costs	
			Capital prices change	
			Demand for production results	
3	Marketing (Z)	The main activities carried out by entrepreneurs in their efforts to maintain their survival, to develop, and to make a profit.	Seller capabilities	Linkert
			Market conditions	
			Capital	
			Organization of the enterprise	
			Gift giving	
4	Development	an increase in volume, revenue, profit,	Capital accumulation	Linkert

No	Variable	Definition	Indicators	Scale
	of MSMEs (Y)	and labor was offset by the progress of the company's performance.	Operating income	
			Sales results	
			Production of goods	
			Employee increase	

The stages carried out in analysing the data of this study are as follows: 1. Descriptive Analysis. 2. Data Instrument Quality Analysis. 3. Analysis of Classical Assumptions. 4. Hypothesis Analysis And. 5. Path Analysis

MSMEs in an Islamic Perspective

In The Islamic economy doing business or doing business is certainly justified. Through the stories of the prophet has also confirmed that Prophet Muhammad SAW was originally a merchant or self-employed and also we can see that there were very many of his friends in the past who were successful entrepreneurs and had a very large source of capital. MSMEs in the Islamic economy are one of the activities of human efforts to maintain their lives and worship, towards social welfare this command applies to everyone without discriminating against one's rank, status and position in the Quran it is explained that in surah At-Taubah (14), verse 105 i.e.:

وَقُلِ اعْمَلُواْ فَسَيَرَى اللَّهُ عَمَلَكُمْ وَرَسُولُهُ وَالْمُؤْمِنُونَ ۖ وَسَتُرَدُّونَ إِلَىٰ عَلِمِ الْغَيْبِ وَالشَّهَدَةِ فَيُنَبِّئُكُم بِمَا كُنتُمْ تَعْمَلُونَ

That is to say: And Say: "Work ye, And Allah and his messenger and the believers shall see your work, and you will be returned to (Allah) who knows will the ungodly and the real, and he preached to you what you have worked on. (Q.S At-Taubah: 105).

In the letter it is explained that Allah and his Messenger commands his people to work, that every work man will continue to be seen by Allah and his Messenger as a practice that will be accounted for in the last days. Islam has regulated the procedure for socializing between people in relationship with Allah Almighty, rules related to the law in every aspect of life including business activities, so that a Muslim can always maintain his behavior and not fall into misguidance. Here is karaketeristic according to the perspective of Islamic economics (Wahdino, 2001):

a. Microenterprises have a divine effect, confiding the foundations of its arrangement that are not laid by man, but on Allah Almighty

b. It has the dimension of akidah or keakidahan, considering that the Islamic economy was born from the Islamic akidah.

c. Ta'abbudi character, that is, it is a rule that is divinely divinity.

d. In relation to morals, all economic activities must be with good and commendable morals.

e. Elastic, that the Quran and Hadith became the source of economic principles.

f. Objectively, economic activity is carried out in the absence of discriminating between individuals.

g. Realistically, economic forecasts should not always correspond to one theory to another.

h. Wealth is essentially the property of Allah Almighty, so everything is not absolute. Have skills in managing wealth

Distribution of Capital Assistance

The distribution of business capital assistance is one of the right solutions in the problem of poverty reduction, because capital is one of the factors that is needed in developing the MSME (Micro, Small and Medium Enterprises) sector, where the MSME sector is believed to be able to help efforts to alleviate poverty because MSMEs can absorb poorly educated workers and live in small business activities both traditional and modern (Tambunan, 1996).

The government also pays attention to the problem of business capital distribution, to develop small and micro enterprises in order to reduce poverty, by facilitating capital distribution and providing affordable financing. As mentioned in the Law of the Republic of Indonesia Number 20 of 2008 Articles 21-22 below;

a. Government and Local Governments provide financing for Micro and Small Enterprises.

b. State-Owned Enterprises can provide financing from the allowance of the part of the annual profit allocated to Micro and Small Enterprises in the form of lending, guarantees, grants, and other financing.

c. Large national and foreign enterprises can provide financing allocated to Micro and Small Enterprises in the form of lending, guarantees,

grants and other financing.

d. Government, Local Government, and The Business World can providing grants, seeking foreign aid, and seeking other legitimate sources of financing and not binding for Micro and Small Enterprises.

e. Governments and local governments can provide incentives in the form of ease of licensing requirements, waivers tariffs on facilities and infrastructure, and other forms of incentives that in accordance with the provisions of laws and regulations to businesses that provide financing for Micro and Small Enterprises.

Capital according to the Perspective of Islamic Economics

Capital in the Islamic economic concept means all valuable property in the view of syar"i, where human activity participates in its production efforts with the aim of development. Money is capital as well as one of the important factors of production, but not the most important thing because humans occupy a place above the capital followed by natural resources. This view is different from the temporary view of modern economic actors who view money on everything, so it is not uncommon for humans or natural resources to be persecuted or abandoned (Mankiw, 2011).

Capital in the Islamic economic system is required to continue to develop so that the circulation of money does not stop. Because if money or capital is stopped, the property will not bring benefits to others, but if the money is invested and used to do business, the money will bring benefits to others, including if there is a business running, it will be able to absorb labor (Aedy, 2011).

As Allah Swt. said in QS. Al-Baqarah: 279 which reads as follows:

فَإِن لَّمْ تَفْعَلُوا۟ فَأْذَنُوا۟ بِحَرْبٍ مِّنَ ٱللَّهِ وَرَسُولِهِ ۖ وَإِن تُبْتُمْ فَلَكُمْ رُءُوسُ أَمْوَٰلِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ

That is to say: *Then if you do not work (leave the rest of usury), Then know, that Allah and His Messenger will fight you. and if ye repent (from the taking of usury), Then unto you the principal of your property; you do not Persecute and are not (nor) persecuted.*

This verse explains that to continue living with usury after becoming a Muslim, means declaring war to Allah Swt. and the apostle. With such a harsh threat, it can be understood that the whole property of the enacted property, whether it can be understood that all the property lent, or the interest from the property, all become illegitimate property is that the daulah islamiyah has the right to take away all the property, both the principal capital, and the interest. But if you have not intended to continue the evil life anymore, then the treasure you lent as much as the original amount, you may take it back (Hamka, 1982).

Islamic economics in the concept of capital development provides clear and directed provisions, among other things, the concept of capital development offered is to hand it over to each individual according to their respective abilities. With a note that all forms of development to be carried out, must meet the existing sharia provisions as regulated in the muamalat sharia. Thus, the development of business capital carried out in accordance with the Islamic economic system, it is hoped that it will create economic conditions for the community that are conducive to the development of production (Suhendi, 2005).

Employment Theory

The theory of Keynes John Maynard keynes (1883-1946) argues that in reality the labor market does not work according to the classical view. Wherever the workers have a kind of labor union that will try to fight for the interests of workers from a decrease in the wage level. Even if the wage rate is lowered but this possibility is considered very small, the income level of the people will certainly fall. The decrease in the income of some members of society will lead to a decrease in people's purchasing power, which in turn will lead to reduced overall consumption.

The reduction in people's purchasing power will drive down the price of the price. If prices fall, then the marginal value of productivity of labor curve which is used as a benchmark by employers in hiring labor will fall. If the price drop is not so big then the productivity value curve only drops slightly. However, the number of manpower that increases is still smaller than the amount of labor offered. It's even worse if prices are drastic, this causes the marginal productivity value curve to drop dramatically as well and the number of workers accommodated becomes smaller and unemployment becomes wider (Setiawan, 2018).

Labor Rights in Islam

The Islamic economic system departs from the awareness of ethics, an ethical economy. It is very different from other systems, both capitalism and socialism. The following are some of the concepts of labor in the Islamic perspective, will be described as below:

a. Labor is a Brother labor as a human being having a human honor directly given by God. If labor is regarded as a means of production as it happens in the capitalist economic system then in this case human honor has been equated with other production machines that will have an impact on the dredging of the greatest profit by a company without regard to the labor man because they in this case are already considered as a means of production.

b. Order to Treat Workers Well It is undeniable that Islam highly upholds the honor of each individual. So that in the matter of work, it is also unjustified if an employer makes his laborer or employee a less respectable human being. Islam is very concerned about workers. The laborer gets a very high place as a worker as an employer also works by hiring him.

c. The Provision of Workload Must Not Exceed the Ability of Islam to require human beings to work with the aim of obtaining wages.

d. Decent and Timely Wages In economic theory, wages are generally interpreted as the price paid to workers for their services in the production of wealth like any other factor of production.

Labor Obligations to Employers As a form of Islamic commitment to justice, Islam also protects employers by providing moral obligations to workers or laborers (Nugraha, 2020).

3. RESULTS AND DISCUSSION
HYPOTHESIS TEST
Regression Analysis of Model I
Significant Test (t Test)

This partial test is carried out in order to determine the influence of each variable of business capital (X1), labor (X2), on marketing (Z). The following are the results of the analysis of the t-test:

Table 4. Test Results t Equation I

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,576	1,545		1,020	,310
	venture capital	,473	,085	,393	5,554	,000
	workforce	,654	,084	,551	7,791	,000

a.Dependent Variable: marketing

Source: research results (data processed SPSS)

In this study, the criteria for testing the t test used was to look at the comparison of calculations with ttabel. To obtain a t-test is determined through degrees of freedom. Based on the significant calculation t of 0.05 then a decision is obtained with the degree of freedom $df = n - k = 90 - 5 = 85$, (n=sum: k = number of variables) then the ttable value is 1.663. When thitung< ttabel means Ho is accepted while when thitung> ttabel means Ho is rejected. The conclusion of the influence on each such variable is explained as follows:

(a) Effect of business capital (X1) on marketing (Z)

The results of the t test for business capital (X1) on marketing (Z) show a sig value of 0.000 meaning that the sig value is greater than the probability value of 0.05 (0.000 > 0.05) and the calculated value of = 5.554 greater than ttable = 1.663 (5.554 >1.663). The conclusion is that when viewed from the significant and partial X1 affects Z. Ho is rejected and Ha is accepted which means that business capital has a significant and partial effect on marketing.

(b) The effect of labor (X2) on marketing (Z)

The results of the t test show that the labor force (X2) against marketing (Z) is a sig value of 0.000 less than the probability value of 0.05 (0.000<0.05) and the calculated value of = 7.791 greater than ttable = 1.663. So it can be concluded that Ho is rejected and Ha is accepted which means that labor has a significant and partial effect on marketing.

ANOVA Test

This test is used in order to see the simultaneous influence between independent variables (business capital and labor,) on intervening (marketing) variables. The Ftabel value for the number of respondents is 90 at an alpha error rate of 5% and k (sum of all variables) = 5, then the value of N1 = k – 1 = 5 – 1 = 4, N2 = n-k = 90 -5= 85 of 3.953.

Table 5. ANOVA Test Result 1

ANOVAᵃ

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	301,291	2	150,645	81,501	,000ᵇ
	Residual	160,809	87	1,848		
	Total	462,100	89			
a. Dependent Variable: marketing						
b. Predictors: (Constant), labor , venture capital						

Source: research results (data processed spss version 20.0)

The ANOVA table data above, can be seen statistical price F, the fifth column, namely Fcount = 81.501 > Ftabel = 3.953 with a significance or probability level of 0.000b and Ho rejected. This means that there is a real or (significant) influence between the free variables (business capital and labor) and the intervening variables (marketing). Or there is a joint (simultaneous) influence between the free variables of business capital and labor) and the intervening variables (marketing). Then the conclusion can be drawn that regression models can be used to predict marketing variables.

Determination test (R2)

The use of this analysis is to see the magnitude of the ability of independent variables (business capital and labor) with intervening variables (marketing). If the determinant coefficient ranges from the number 0, then the relationship between the variables is weak. However, if the number is close to 1 then the relationship is very strong.

Table 6. Determination Test Results (R2) I

Model Summaryᵇ

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,807ᵃ	,652	,644	1,360	,652	81,501	2	87	,000
a. Predictors: (Constant), labor , venture capital									
b. Dependent Variable: marketing									

Source: research results (data processed spss version 20.0)

In the table above, it can be seen that the correlation value or symbolized by the letter R is 0.807 and the magnitude of the percentage or coefficient of determination (R Square) between the influence of the free variable of business capital and labor) and the intervening variable (marketing) of 0.652 or 65.2%. Which means the influence of business capital and labor) with the intervening (marketing) variable in the city of Padang Sidempuan, which is 65.2% the remaining 34.8% is influenced by other variables.

Model II Regression Analysis

a. Significant test (t test)

This partial test is carried out in order to determine the influence of each variable of business capital (X1), labor (X2) and marketing (Z) on the performance of MSMEs (Y). The following are the results of the analysis of the t-test:

Table 7. Test Result t Equation II

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,354	1,994		2,183	,032
	venture capital	,094	,127	,042	,741	,461
	workforce	,521	,140	,237	3,709	,000
	marketing	1,290	,138	,698	9,378	,000
a. Dependent Variable: the development of MSMEs						

Source: research results (data processed spss version 20.0)

In this study, the criteria for testing the t test used was to look at the comparison of calculations with ttabel. To obtain a t-test is determined through degrees of freedom. Based on the significant calculation t of 0.05 then a decision is obtained with the degree of freedom df = n – k = 90 – 5 = 85, (n=sum: k = number of variables) then the value of ttabel is 1.663. When counting< ttabel means Ho is accepted while when counting> ttabel means Ho is rejected. The conclusion of the influence on each such variable is explained as follows:

1) The influence of marketing (Z) on the development of MSMEs (Y)

   The results of the t test for marketing (Z) on the development of MSMEs (Y) showed a sig value of 0.000 meaning that the sig value was smaller than the probability value of 0.05 (0.000 < 0.05) and the calculated value of =9.378 greater than the ttabel = 1.663 (9.378 > 1.663). The conclusion is that when viewed from a significant and partial effect on Y. Then Ho is rejected and Ha is accepted which means that marketing has a significant and partial effect on the development of MSMEs.

2) The Effect of Business Capital (X1) on the Development of MSMEs (Y)

   The results of the t test for business capital (X1) on the development of MSMEs (Y) showed a sig value of 0.461 meaning that the sig value was greater than the probability value of 0.05 (0.461 > 0.05) and the calculated value of =0.741 was smaller than ttabel = 1.663 (0.741 > 1.663). The conclusion is significant and the t Z test partially has no effect on Y. Ho is accepted and Ha is rejected which means that business capital has no significant and partial effect on the development of msmes.

3) The Effect of Labor (X2) on the Development of MSMEs (Y)

   The results of the t test show that labor (X2) to the development of MSMEs (Y) is a sig value of 0.000 less than the probability value of 0.05 (0.000 > 0.05) and a calculated value of =3.709 greater than ttabel = 1.663. So it can be concluded that when viewed from the significant and t test X2 significantly and partially affects Y. Ho is rejected and Ha is accepted which means that labor has a partial effect on the development of MSMEs.

b. **Anova Test (F)**

This test is used in order to see the simultaneous influence between independent variables (business capital and labor) and intervening variables (marketing) on dependent variables (MSME development). The Ftable value for the number of respondents is 90 at an alpha error rate of 5% and k (sum of all variables) = 5, then the value of N1 = k – 1 = 5 – 1 = 4, N2 = n-k = 95 -5= 85 of 3.953.

Table 8. ANOVA II Test Results

ANOVAᵃ						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1315,122	3	438,374	144,016	,000ᵇ
	Residual	261,778	86	3,044		
	Total	1576,900	89			
a. Dependent Variable: the development of MSMEs						
b. Predictors: (Constant), marketing, venture capital, labor						

Source: research results (data processed spss version 20.0)

The ANOVA table data above, can be seen the statistical price F, the fifth column, namely Fhitung = 144.016 > Ftabel = 3.953 with a significance or probability level of 0.000ᵇ and Ho rejected. This means that there is a real or (significant) influence between the free variable (business capital and partnership) and the intervening variable (marketing) and the bound variable (msME development). Or there is a joint (simultaneous) influence between the free variables (business capital and labor) and the intervening variables (marketing) with the bound variables (MSME development). Then the conclusion can be drawn that regression models can be used to predict developmental variables.

c. **Determination Test (R²)**

The use of this analysis is to see the magnitude of the ability of independent variables (business capital, labor) and intervening variables (marketing) to clarify the dependent variables

(development of MSMEs). If the determinant coefficient ranges between the numbers 0 , then the relationship between the variables is weak.

However, if the number is close to 1 then the relationship is very strong.

Table 9. Determination Test Results (R^2) II

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,913^a	,834	,828	1,745	,834	144,016	3	86	,000

a. Predictors: (Constant), marketing, venture capital, labor

b. Dependent Variable: the development of MSMEs

Source: research results (data processed spss version 20.0)

In the table above, it can be seen that the correlation value or symbolized by the letter R is 0.913 and the magnitude of the percentage or coefficient of determination (R Square) between the influence of the free variable (business capital and labor) and the intervening variable (marketing) with the bound variable (MSME development) of 0.834 or 83.4%. This means that the influence of business capital and labor as well as marketing on the development of MSME actors in Padan Sidempuan City, which is 83.4%, the remaining 16.6% is influenced by other variables.

d. Path Analysis

This analysis technique is usually used to determine the causal relationship between free variables and non-free variables.

Table 10. Path Analysis Summary

Influence between variables	Path coefficient (pij)	Default error (Sbi)	t_{count}	P_{value}	Conclusion	R^2
Structural equations II (X_1, X_2, Z ke Y)						
X_1 towards Y $\rho X_1 Y$	0,094	0,127	0,741	0,461	Insignificant	0,828
X_2 towards Y $\rho X_2 Y$	0,521	0,140	3,709	0,000	Significant	
X_Z towards Y $\rho X_Z Y$	1,290	0,138	9,378	0,000	Significant	
Structural equations I ($X1, X2$ ke Z)						
X_1 towards Z $\rho X_1 Z$	0,471	0,085	5,554	0,000	Significant	0,652
X_2 towards Z $\rho X_2 Z$	0,654	0,084	7,791	0,000	Significant	

The structural model of path analysis in this study is as follows: Structural Model I

$$Y1 = \rho X_1 Y + \rho X_2 Y + \rho Z Y + \varepsilon_1$$

in this model, the magnitude of the residual coefficient is::

$$\varepsilon_{1 =} \sqrt{1 - R^2} = \sqrt{1 - 0,828}$$
$$= \sqrt{0,172} = 0,414$$

Then the direct effect model is:

Y= 0,094 X_1 + 0,521 X_2 + 1,290 Z + 0,426
= 0,094 venture capital + 0,521 workforce + 1,290 marketing + 0,414.

Structural model II

$$Z = \rho X_1 Z + \rho X_2 Z + \varepsilon_1$$
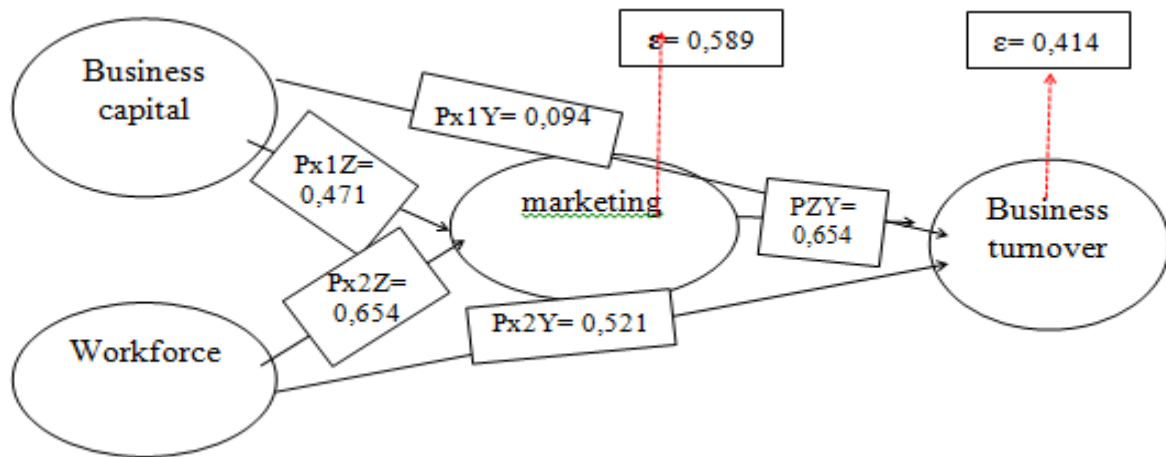
In this model, the magnitude of the residual coefficient is:

$$\varepsilon_{1 =} \sqrt{1 - R^2} = \sqrt{1 - 0,652}$$
$$= \sqrt{0,348} = 0,589$$

Then the structural model II is:

Z = 0,136 X_1 + 0,567 X_2 + 0,589
= 0,471 venture capital + 0,654 workforce + 0,740

From the 2 structural models, the following path analysis drawings were obtained:

From the analysis picture above, it can be determined the coefficients that have a direct effect, indirect rafting and total influence as follows:

a. Direct effect (DE)

The calculation of direct effect (DE) using a formula, namely:

1) Effect of business capital on marketing (X1 → Z) $\rho X1Z = 0.471$
2) The effect of labor on marketing (X2 → Z) $\rho X2Z = 0.654$

3) The effect of marketing on the development of MSMEs (Z → Y) or $\rho ZY = 1.290$.
4) The effect of business turnover on the development of MSMEs (X1 → Y) or $\rho X1Y = 0.521$
5) The effect of labor on the development of MSMEs (X2 → Y) or $\rho X2Y = 0.521$

Table 11. Results of Direct Influence

Hipotesis	Information	Significant	Conclusion	R^2
1	Ho denied Ha accepted	0,461<0,05	Insignificant	
2	Ho denied Ha accepted	0,000<0,05	Significant	
3	Ho denied Ha accepted	0,000>0,05	Significant	0,828
4	Ho denied Ha accepted	0,000>0,05	Significant	
5	Ho denied Ha accepted	0,000>0,05	Signifikan	0,652

b. Indirect effect (IE)

Calculation of indirect effects (IE) using the formula:

1) The indirect effect of business capital on the development of MSMEs through marketing (X1 → Z →Y) is the multiplication of the $\rho X1Z$ line coefficient with $\rho ZY = 0.471 \times 1.290 = 0.607$

2) The indirect influence of labor on the development of MSMEs through marketing (X2 → Z →Y) is the product of the $\rho X2Z$ line coefficient with $\rho ZY = 0.654 \times 1.290 = 0.843$.

Table 12. Results of Indirect Influence

Indirect influence between variables	Path coefficient ρX_1Z	Path coefficient ρZY	Path coefficient result
X_1 towards y ρX_1Z	0,094	1,290	0,607
Indirect influence between variables	**Path coefficient ρX_2Z**	**Path coefficient ρZY**	**Hasil koefisien jalur**
X_2terhadap y ρX_2Z	0,521	1,290	0,843

c. Total influence

This influence is derived from the sum between direct influence and indirect influence. As for the total influence, namely:

1) The effect of total variables of business capital on the development of UMKM = $\rho X_1Y + (\rho X_1Z)(\rho ZY) = 0,094 + (0,471)(1,290) = 0,094 + 0,607 = 0,701$

2) The effect of total labor variables on the development of MSMEs = $\rho X_2Y + (\rho X_2Z)$

$(\rho ZY) = 0,521 + (0,654)(1,290) = 0,521 + \qquad 0,843 = 1,364.$

Table 13. Total Influence Results

Total influence	Path coefficient $\rho X_1 Y$	Path coefficient $(\rho X_1 Z)(\rho ZY)$	Path coefficient result
X_1 terhadap Y $\rho X_1 Y$	0,094	(0,471)(1,290)	0,701
Total influence	**Path coefficient $\rho X_2 Y$**	**Path coefficient $(\rho X_2 Z)(\rho ZY)$**	**Path coefficient result**
X_2 terhadap Y $\rho X_2 Y$	0,521	(0,654)(1,290)	1,364

d. Indirect Influence Significance Test

This test can be done using the z-statistical formula from the sobel, namely:

$$Z = \frac{axb}{\sqrt{b^2 x\, sa^2 + a^2 xsb^2 + sa^2 x\, sb^2}}$$

Information:

a, b, and c are the values of the path coefficient

sa and sb are standard errors for a and b

The basis for his decision-making is by making comparisons of ttabel and zhitung that have been obtained. In this study, the degree of freedom (et al) 100 – 5 = 95 at the level of trust α = 0.05, then a ttabel of 1.661 was obtained.

The assessment criteria are as follows:

1) If $z_{count} > t_{table}$ then the indirect influence is significant. That is, there is an indirect influence on endogenous variables through significant or real moderating (intervening) variables.

2) If $z_{count} < t_{table}$ then indirect influences are insignificant. This means that there is no indirect influence on endogenous variables through significant or real moderating (intervening) variables.

Based on the table above, it can be seen that:

1) Indirect effect of business capital on the performance of MSMEs through marketing ($X_1 \to Z \to Y$)

$$Z = \frac{axb}{\sqrt{b^2 x\, sa^2 + a^2 xsb^2 + sa^2 x\, sb^2}}$$

$$\frac{0,471 x\, 1,290}{\sqrt{1,290^2 x\, 0,085^2 + 0,471^2 x 0,127^2 + 0,085^2 x\, 0,127^2}}$$

$$\frac{0,60759}{\sqrt{(1,6641 x\, 0,007225) + (0,221841\, x\, 0,016129) + (0,007225\, x\, 0,016129)}}$$

$$\frac{0,60759}{\sqrt{0,0120231225 + 0,0035780735 + 0,000116532}}$$

$$\frac{0,607598}{\sqrt{0,015717728}}$$

$$\frac{0,60759}{0,1253703633}$$

$$Z = 4,8463606869$$

Based on these calculations, it can be seen that $z_{count} > t_{table}$ (4,8463606869 > 1,663). This means that there is a significant or real indirect influence of the business capital variable (X1) on the development of MSMEs (Y) through marketing (Z) as an intervening variable for MSME actors in the city of Padang Sidempuan at a confidence level of 95% or an error rate of 5%.

2) Indirect influence of labor on the development of MSMEs through marketing ($X_2 \to Z \to Y$)

$$Z = \frac{axb}{\sqrt{b^2 x\, sa^2 + a^2 xsb^2 + sa^2 x\, sb^2}}$$

$$\frac{0,654 x\, 1,290}{\sqrt{1,290^2 x\, 0,084^2 + 0,654^2 x 0,140^2 + 0,084^2 x\, 0,140^2}}$$

$$\frac{0,84366}{\sqrt{(1,6641 \ x \ 0,007056) + (0,427716 \ x \ 0,0196) + (0,007056 x \ 0,0196)}}$$

$$\frac{0,84366}{\sqrt{0,0117418896 + 0,0083832336 + 0,0001382976}}$$

$$\frac{0,84366}{\sqrt{0,0202634208}}$$

$$\frac{0,84366}{0,1423496428}$$

$$= 5,9266745136$$

Based on these calculations, it can be seen that $z_{count} > t_{table}$ (5,9266745136 >1,66023). That is, there is a significant or real indirect influence of labor variables (X_2) to the development of MSMEs (Y) through marketing (Z) as an intervening variable for MSME actors in the city of Padang Sidempuan at a confidence level of 95% or an error rate of 5%.

Table 14. Indirect Influence Significance Test Results

Indirect effect	Z_{count}	t_{table}	
X_1 towards Y through Z	4,8463606869	1,66023	Significant
X_2 towards Y through Z	5,9266745136	1,66023	Significant

4. DISCUSSION

The Effect of Business Capital on Marketing

The results showed that business capital had a partial and significant effect on marketing. Business capital has a positive effect, meaning that the higher the business capital of msme actors, the better the marketing of an MSME, this can support marketing that will be better in a business.

Theoretically, the findings of this study show that business capital is a small amount of capital indeed influenced by the size of the business to be made. Business capital is needed as a provision to carry out a business plan / business in order to meet basic needs by a person so as to avoid shortages and even poverty. Capital money is usually used to finance various business needs, such as pre-investment costs, permit management, investment costs to buy assets, to work turnover, while expertise capital is a person's expertise in running a business. Small business is a productive economic business that stands alone, which is carried out by an individual or business entity that is open is a subsidiary or not a subsidiary of a branch owned, controlled or part of, either directly or indirectly, of a medium-sized business or large business that meets the criteria for small business as referred to in the law.

When viewed from the field, it shows that the community's business is almost homogeneous and has no creative value. High business capital without good marketing will always position the products of the business to remain in place and will not develop. Business capital owned by business actors such as money can also be used for business purposes, such as pre-investment fees, permit management, investment costs to buy assets. However, business capital or it can be said that business capital that received presidential assistance did not get changes to business actors coupled with the impact of the Covid-19 pandemic in the last 3 years.

In Sharia marketing, a business that is accompanied by sincerity solely to seek the blessings of Allah, then the form of transaction, God willing, becomes the value of worship before Allah SWT. There are several qualities that make the Prophet Muhammad successful in doing business, namely: the nature of Fathanah (intelligent) in this case a leader who is able to understand, live, and know his business duties and responsibilities very well.

The results of this study are in line with prabawati and handayani research with the title of the journal of product influence, product innovation business orientation on marketing performance which states that business turnover affects marketing.

The Influence of Labor on Marketing

The results of this study show that labor (X_2) has a significant and partial effect on marketing (Z). A positive effect means that if the labor level of MSME actors is good, marketing will increase as well. This is because the workforce of MSME players is able to manage their marketing well so that they can compete in the world market and are able to increase the level of high profits..

Theoretically the findings of this study suggest that the system that allows companies to absorb experiential knowledge, and the creativity of a process that provides a way for companies to recognize key intellectual assets to exist. Labor as a resident of

working age who can produce goods and services if there is demand. Usually, consumers will respond quickly if there is an increase in the price of goods, namely reducing consumption or even not buying at all. As a result, many of the production products were not sold and forced by producers to reduce the amount of production. The decline in production targets resulted in a reduction in the required labor force. The decrease in the amount of labor needed due to the influence of the decline in the scale of production is called the effect of the scale of production. However, sometimes the decrease in the amount of labor needed is due to the replacement or addition of the use of machines. In the city of Padang, there are many shifts between the use of manuals switching to machines, resulting in a lot of manpower that is required to be able to master the technology..

With the socialization and training provided, it can help the workforce to compete in modern times. Marketing is no exception, in the field of marketing, many marketing experts must master the world of technology. The large demand for labor in the field of marketing requires that the workforce must be better so that marketing can be done well as well.

In Islamic marketing, business that is accompanied by sincerity is solely to seek the blessings of Allah, then the form of transaction, God willing, becomes the value of worship before Allah Almighty. There are several traits that make prophet Muhammad successful in doing business, namely: Shiddiq (honest or right) in trading Prophet Muhammad has always been known as a marketer who is honest and correct in informing his products. Tabligh (communicative) if a marketer must be able to convey the advantages of the product by being attractive and staying on target without leaving honesty and truth.

The results of this study are in line with research conducted by Asyhari, Pudjihastuti, and Kurdaningsih through a study entitled The Role of Competitive Advantage Mediation in Determinants of SME Business Performance at Batik Weaving Centers in Central Java proves that labor partially has a positive effect on marketing.

The Effect of Marketing on the Development of MSMEs

The results of this study show that marketing (Z) has a significant and partial effect on the development of MSMEs (Y). This finding describes that the better

the marketing of a business, the better the development of its business so that it will be able to cover businesses that do not have a business dimension. Marketing will add a good name to a business.

Theoretically Marketing is one of the main activities carried out by entrepreneurs in their efforts to maintain their survival, to develop, and to make a profit. Whether or not they succeed in achieving business goals depends on their expertise in marketing, production, finance, and other fields. Good marketing will make the resulting product known by many audiences, especially marketing targets that will provide benefits to the business. Mastery of the market with the resulting products can develop the business that is being run.

Business that is accompanied by sincerity is solely to seek the blessings of Allah, then the form of transaction, God willing, becomes the value of worship before Allah Almighty. There are several traits that make prophet Muhammad successful in doing business, namely: Shiddiq (honest or right) in trading Prophet Muhammad has always been known as a marketer who is honest and correct in informing his products. Tabligh (communicative) if a marketer must be able to convey the advantages of the product by being attractive and staying on target without leaving honesty and truth.

Incidents in the field are many MSME players who have not carried out marketing optimally for various reasons including to minimize expenses. This makes the business less known to many people, the business is only known by the surrounding community. The process of socializing products in an orderly manner that will get what is needed and desired by creating, offering, and exchanging valuable products with other parties.

The results of this study are in line with research conducted by Asyhari, Pudjihastuti, and Kurdaningsih through a study entitled The Role of Competitive Advantage Mediation on Determinants of SME Business Performance at batik weaving centers in Central Java proves that marketing partially has a positive effect on the development of MSMEs.

The Effect of Business Capital on the Development of MSMEs

The results of this study show that business capital (X_1) has a positive and significant effect on the development of MSMEs (Y). This means that if a

business already has good business capital, the development of MSMEs is good.

Theoretically, business development is usually seen in terms of gross income received every month. For newly established companies, turnover is used to carry out business activities in introducing goods that have been produced to potential buyers. This is the seller must first introduce bringing the goods to the buyer's place. To carry out this purpose, it is necessary to have facilities and businesses, such as: transportation equipment, demonstration places both inside the company and outside the company, promotional businesses, and so on. As for companies that have been established for a long time, capital is used to develop businesses and expand market share. The size of the capital is indeed influenced by the size of the business to be made.. The results of this study Value in a business from the results of implementing its strategy so as to make a business have more value than its competitors.

For companies with strong capital, this activity can be carried out regularly. As for small companies that have relatively small capital, this activity is carried out less frequently. There are entrepreneurs who stick to a principle that it is most important to make good goods. If this principle is implemented, it is expected that the buyer will again buy the same item. However, before a purchase is made, often the buyer must be stimulated by its attractiveness, for example by giving an attractive wrap or by other means of promotion. In addition, an MSME actor should first know how to manage finances with the capital and turnover he has.

In Shari'a marketing, a business that is accompanied by sincerity solely to seek the blessings of Allah, then the form of transaction, God willing, becomes the value of worship before Allah SWT. There are several traits that make prophet Muhammad successful in doing business, namely: Shiddiq (honest or right) in trading Prophet Muhammad has always been known as a marketer who is honest and correct in informing his products. Fathanah (intelligent) in this case a leader who is able to understand, internalize and know his business duties and responsibilities very well.

The results of this study are in line with the research conducted by Feranita, & Setiawan with the title of the influence of market orientation on competitive advantage and competitive advantage on performance, which states that business capital is

responsible for the development of uasha.

The Influence of Labor on the Development of MSMEs

The results of this study show that labor (X_1) has a positive effect on the development of MSMEs (Y). Theoretically, business development includes not only an increase in income, but also with an increase in volume, profit, and labor. Business development can be measured by looking at sales growth, increasing employees, increasing profits, and increasing asset value. If all this has been realized, then the business can be considered to have developed. An organization can have an entrepreneurial structure, and the members of an organization can be entrepreneurial, and each complements each other to provide synergy.

The development experienced by business actors in the city of Padang Sidempuan can be shown, one of which is by the continuous increase in the number of workers and increasing. The addition of labor in these various businesses can reduce unemployment and poverty and prosper the community. Business actors who give awards to their workforce position the workforce to survive and be loyal to the business in which they work.

Business that is accompanied by sincerity is solely to seek the blessings of Allah, then the form of transaction, God willing, becomes the value of worship before Allah Almighty. There are several traits that make prophet Muhammad successful in doing business, namely: Shiddiq (honest or right) in trading Prophet Muhammad has always been known as a marketer who is honest and correct in informing his products.. The development experienced by Amanah (or trustworthy) when he became a merchant of the Prophet Muhammad always returned the property rights of his superiors, be it in the form of sales or or the rest of the goods.

The results of this study are not in line with the research that has been carried out by Astri Wulaningtyas and Widiarttanto with the title of their research the influence of entrepreneurial orientation, market orientation and competitive advantage on the development of small and medium-sized industries Which states that the workforce has a positive and significant effect on the development of MSMEs.

The Influence of Business Capital Affects the Development of MSMEs through Marketing

The results showed that business capital (X_1) did not have a positive and significant effect on the

performance of MSMEs (Y) through marketing (Z). Theoretically, the findings of this study show that business development is the growth of management and economic competitiveness of the company. This increase in competitiveness will have a positive impact on the company. The company will get more income so that it can survive and even compete with other companies. The knowledge possessed by employees can affect their abilities, when knowledge increases, the abilities of an individual can increase so that the performance possessed will be affected.

On a large capital, it does not state that the business is developing. Marketing as a system of interconnected activities, aimed at planning, pricing, promoting and distributing goods and services to groups of buyers. These activities operate in an environment that is limited by the sources of the company itself, regulations, and the social consequences of the company. Restrictions carried out by businesses do not support capital to grow because the marketing process will cause a lot of expenses.

There are several qualities that make the Prophet Muhammad successful in Shari'a marketing, a business that is accompanied by sincerity solely to seek the blessings of Allah, then the form of transaction, God willing, becomes the value of worship before Allah SWT, namely: Amanah (or trustworthy) when becoming a trader The Prophet Muhammad always returns the property rights of his superiors, be it in the form of sales proceeds or or the rest of the goods. Fathanah (intelligent) in this case a leader who is able to understand, internalize and know his business duties and responsibilities very well.

The Influence of Labor on the Development of MSMEs through Marketing.

The results of this study show that the workforce (X_2) has a positive and significant effect on the development of MSMEs (Y) through marketing (Z). Positive effect means that if the workforce is supported by good marketing, business development will increase.

Theoretically, the findings of this study show that business development is an increase in the company's gross revenue. Business development can also be interpreted as an increase in volume, revenue, profit, and labor balanced by the progress of the company's performance. Whether or not they succeed in achieving business goals depends on their expertise in marketing, production, finance, and other fields.

Marketing that actively markets products with a painstaking workforce can bring the expected profit. This can be supported by leaders who can direct their workforce well.

In Islamic marketing, business that is accompanied by sincerity is solely to seek the blessings of Allah, then the form of transaction, God willing, becomes the value of worship before Allah Almighty. There are several traits that make prophet Muhammad successful in doing business, namely: Shiddiq (honest or right) in trading Prophet Muhammad has always been known as a marketer who is honest and correct in informing his products. Tabligh (communicative) if a marketer must be able to convey the advantages of the product by being attractive and staying on target without leaving honesty and truth.

The results of this study are in line with research conducted by Hasri, Sigit, & Santoso with the title Analysis of Micro, Small and Medium Enterprises Development to Increase Economic Growth as an Effort to Alleviate Poverty and Regional Unemployment in Ngawi Regency which states that the development of MSMEs in Ngawi Regency is able to be a driving factor for economic growth and increase employment. This will minimize poverty in Ngawi Regency. This research was conducted in order to explain the role of MSME development in economic growth in Ngawi Regency.

5. CONCLUSION

Based on the results of data analysis and discussions described by the researcher, the conclusion was reached that:

a. Business capital has a significant and partial effect on marketing with a significance value of $0.000 > 0.05$.

b. Labor has a significant and partial effect on marketing with a significance value of $0.000 < 0.05$. c. Marketing has a partial effect on the development of MSMEs with a significance value of $0.000 > 0.005$.

c. Business capital does not have a partial effect on the development of MSMEs with a significance value of $0.461 > 0.005$.

d. The workforce has no significant and partial effect on the performance of MSMEs with a significance value of $0.000 > 0.05$..

e. Business capital has a significant and partial effect on the development of MSMEs through marketing

with a calculated z value of 4.8463606869 > 1.66023.

The workforce has a significant and partial effect on the development of MSMEs through marketing with a calculated z value of 5.9266745136 > 1.66023.

6. AKNOWLEDGEMENT

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