UDC 332

ANALYSIS OF FACTORS INFLUENCING PRODUCTION AND INCOME OF KAPAL VILLAGE'S SANGGAH CRAFTSMEN IN THE NEW NORMAL ERA

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ABSTRACT
The purpose of this research is to analyze the effect of people's purchasing power, working hours and entrepreneurial spirit on the production value of Sanggah handicrafts in Kapal Village. To analyze the influence of people's purchasing power, working hours, entrepreneurial spirit and production value on the income of Sanggah craftsmen in Kapal Village. To analyze the indirect effect of people's purchasing power, working hours and entrepreneurial spirit on income through the production value of Sanggah craftsmen in Kapal Village. The research design used in this study was an associative quantitative research conducted in Kapal Village, Mengwi District, Badung Regency, Bali Province. The samples in this study were 96 sanggah craftsmen in Kapal Village. The analysis technique used in this research is path analysis technique. Based on the results of the research that has been done, it can be concluded that people's purchasing power, working hours and entrepreneurial spirit directly have a positive and significant effect on the production of objectionable craftsmen in the new normal era in Kapal Village. People's purchasing power, working hours and entrepreneurial spirit directly and significantly affected the income of objectionable craftsmen in the new normal era in Kapal Village. People's purchasing power, working hours and entrepreneurial spirit indirectly did not affect income through the production value of sanggah craftsmen in the new normal era in Kapal Village.

KEY WORDS
Local production, service, craftsman, income evaluation.

The global coronavirus pandemic, otherwise known as Covid-19, has spread throughout the world. This pandemic poses a threat to all countries in the world, including Indonesia. The risk of transmission raises public concerns, thereby affecting the economic and social life of the community. The "New Normal" solution is government policy in overcoming the gap in handling Covid-19 in Indonesia. New normal is a change in behavior to continue carrying out normal activities, but coupled with the implementation of health protocols to prevent the transmission of Covid-19 so that it is a balanced solution in preventing the transmission of Covid-19 and the return of community activities to meet economic needs. The Covid-19 pandemic has had a negative effect on the economy. Many industrial activities have stopped due to the Covid-19 pandemic, apart from that public consumption has also shown a downward trend.

The development process and the stages of economic development cannot be separated from the industrial sector, because this sector is a driving force in economic activity in addition to the development of economic sectors. Industry is an economic activity that manages raw materials, raw materials, into semi-finished goods or finished goods with a higher value in their use. According to Kusumastuti (2015), the industrial sector has a strategic role in economic development and growth. Regional economic growth is measured using the Gross Regional Domestic Product (GRDP). GRDP is the total value of goods and services obtained from all economic activities in a region within a certain period. The GRDP data for Badung Regency is shown in Table 1.

Table 1 show the growth of Badung Regency's GRDP in the type of processing industry tends to increase until 2019. Finally it decreased sharply in 2020 caused by the Covid-19 pandemic. The wheel of the economy is seriously threatened during this pandemic, when companies have to reduce their workforce and employee working hours, even closing

the company. Of course this affects the company's production and people's income in general, which has a direct impact on people's purchasing power. This condition indicates the need to pay attention to efforts to develop the processing industry sector so that it can support the Badung Regency's GRDP.

Table 1 – The Growth Rate and Contribution of the Processing Industry at Constant Prices in 2010 According to GRDP in Badung Regency in 2016 – 2020

No	Year	Processing industry (Million Rupiah)	GRDP total (Million Rupiah)	Industry Growth Rate (%)	Contribution to GRDP (%)
1	2016	1 448 585,50	31 157 371,63	-	4,64
2	2017	1 448 476,80	33 052 047,90	-7,50	4,38
3	2018	1 524 121,60	35 275 421,80	5,22	4,32
4	2019	1 616 242,00	37 325 327,70	6,04	4,33
5	2020	1 517 392,80	31 159 948,00	6,12	4,86

Source: Statistics Agency, 2021.

Mengwi District is one of the sub-districts located in the development area of the central Badung Regency, which is the center for the development of small industries and household crafts. Data regarding the number of processing industries in the Mengwi District are presented in Table 2.

Table 2 – Number of Industries by Size and Number of Workers (WK) in Mengwi District in 2020

No	Village	Large Business Units	WK	Medium Business Units	WK	Small Business Units	WK	Craft Business Units	WK	Total Business Units	WK
1.	Cemagi	-	-	-	-	14	52	44	176	58	228
2.	Munggu	-	-	1	76	24	43	58	142	83	261
3.	Pererenan	-	-	-	-	12	52	8	8	20	60
4.	Tumbak Bayuh	-	-	-	-	15	56	14	28	29	84
5.	Buduk	-	-	1	32	62	120	36	84	99	236
6.	Abianbase	-	-	4	95	98	204	95	285	197	584
7.	Sempidi	-	-	1	70	82	140	61	122	144	332
8.	Sading	-	-	-	-	40	133	74	162	114	295
9.	Lukluk	1	140	1	30	56	135	75	112	133	417
10.	Kapal	-	-	-	-	161	230	159	250	320	480
11.	Kekeran	-	-	-	-	54	169	11	22	65	191
12.	Mengwitani	-	-	-	-	95	258	65	227	160	485
13.	Mengwi	-	-	-	-	64	240	132	208	196	448
14.	Gulingan	-	-	-	-	29	103	36	62	65	165
15.	Penarungan	-	-	1	20	27	94	72	209	100	323
16.	Baha	-	-	1	21	34	53	32	84	67	158
17.	Werdhi Bhuana	1	111	-	-	39	102	24	49	64	262
18.	Sobangan	-	-	-	-	32	72	102	105	134	177
19.	Sembung	-	-	-	-	43	91	59	177	102	268
20.	Kuwum	-	-	-	-	16	24	23	33	39	57
Total		2	251	10	344	997	2.371	1.180	2.545	2.189	4.840

Source: Statistics Agency, 2021.

Based on Table 2, the number of industries in Mengwi District in 2020 is 2,189 units consisting of 2 large business units, 10 medium business units, 997 small business units and 1,207 craft business units. The absorption of labor from the existence of this processing industry reached 4,840 people spread across 251 workers in large industry, 344 workers in medium industry, 2,371 workers in small industry and 2,545 workers in the craft industry. The highest number of industries found in Kapal Village was dominated by small industries with 161 units and 159 craft industries. Or as a whole the two types of industries that were put forward amounted to 320 units and the total workforce absorbed was 480 people.

The Sanggah craft industry can be used as a forum that absorbs enough labor so that it can reduce unemployment and can increase household income. In other words, there have been positive changes in the socio-economic conditions of the community, especially Sanggah craftsmen in Kapal Village. Taking into account the conditions above, it is interesting to study the production value and income of object craftsmen in Kapal Village, and the factors that influence it. The production value and income of Sanggah craftsmen are

influenced by the people's purchasing power, workforce and entrepreneurial spirit in the new normal era.

Table 3 – Type and Number of Industries in Kapal Village in 2018

No	Industrial Type	Total	Percentage (%)
1	Brush Stone	12	7,54
2	Gerabah	26	16,35
3	Sanggah	96	60,37
4	Convection	2	1,25
5	Bamboo Crafts	4	2,51
6	Ceramics	1	0,62
7	Concrete	11	6,91
8	Drim	7	4,40
	Jumlah	159	100,00

Source: Kapal Village Monograph, 2018.

Based on Table 3, it can be seen that there are 8 types of industry as the driving sector of the economy in Kapal Village. The biggest industry in Kapal Village is the sanggah craft industry which accounts for as much as 60.37 percent, so that Kapal Village is known as one of the Sanggah selling centers in Bali. This can be seen from along the Denpasar-Tabanan road and the Kapal-Panglan highway, which is almost filled with displays of object models sold by the residents of Kapal Village.

Purchasing power is the ability of individuals and organizations to buy and use goods and services. According to Basu and Irawan (2008) the factors that influence purchasing power are income, tastes, and prices. Income is money received by a person in the form of wages, rent, interest or profit. Taste is a person's taste or desire to consume and use goods or services. Price is the amount of money charged for a particular product, the price in sales is very influential on individuals and groups in making purchases. Pricing is also related to income and also influences supply due to consumer tastes or wishes. The purchasing power of people in Bali is currently weakening due to declining incomes. One of the reasons for this decline in income was the result of layoffs (PHK) as a result of the Covid-19 pandemic. The number of people who are not working is increasing, coupled with the increasing number of graduates every year. On the other hand, many companies have laid off workers. In addition to layoffs, the decline in income was also caused by a reduction in salaries resulting in a decrease in business turnover, due to which production also declined. Indicators of declining people's income are partly due to a decrease in business production and a decrease in workers' income. In the research by Desi et. al (2021) The Covid-19 pandemic has had a major impact on the people's economy. In the production aspect, there was a decrease in production due to a decrease in sales turnover, reduced capital by up to 50 percent and hampered distribution. In the aspect of people's purchasing power, there was a decrease due to the decrease in income.

The factors that affect income are labor factors that have an influence on production factors. According to Simanjuntak (2000) the workforce used is in the form of people who are able to work to provide services/businesses and are able to carry out activities that have economic value, namely activities that produce goods/services to meet needs. According to Mankiw (2008) the greater the number of workers, the greater the number of goods produced. An increase in the number of workers will have an impact on the level of income and output produced. The resources used to produce goods and services consist of various factors such as labour, land and capital including machinery, equipment, raw materials, electric power, technological advances and others. But among all these factors, the human resource factor plays a major role in increasing production because the means of production and technology are essentially the work of humans. Therefore, in addition to land and capital production, which is usually highlighted and becomes the center of attention is production. In addition to the above factors, production is also influenced by the environment and government policies (Ravianto. 1988:14).

According to Priyandika (2015), analysis of the workforce is about individual willingness to work to earn income or not work with the consequence of sacrificing the income that

should be earned. It is necessary to pay attention to the management of the working hour unit because the management of the hourly unit which is not optimal will result in wastage of work. Every company or industry needs to manage working time, in order to produce production as expected and be able to increase revenue.

In increasing business success and productivity for artisans, the entrepreneurial spirit (entrepreneurship) is important for entrepreneurs in the industry. Entrepreneurial activity in terms of financial independence can be obtained through hard work and taking risks (Morris et al., 2017). According to Suryana (2013: 1) entrepreneurial spirit is a creative and innovative ability that is used as a basis, tips, and resources to seek opportunities for success. According to Almajali et al. (2016), entrepreneurial orientation is a process, practice, and decision-making activity that leads to new entrepreneurs. By having an entrepreneurial spirit, you can produce innovative, creative and quality products so you can compete in the market (Ayuso and Navarrete-Báez, 2018).

According to Sukirno (2005: 189), a simple production theory describes the relationship between the level of production of an item and the amount of labor used to produce various productions of an item. The number of products produced will be able to increase profits for the company and affect the increase in work income. According to Ningsih and Bagus (2015), production is an activity carried out by producers in the form of combining resources to produce output. This of course will have an impact on the income received by the craftsmen, so the craftsmen will be motivated to increase their work productivity both in terms of quality and quantity. The more products or output produced, the more it will affect the increase in labor income (Arifini, 2013).

According to Priyandika (2015), in measuring the economic condition of a person or household, one of the main concepts most often used is the level of income. Income shows all the money or other material that is achieved from the use of wealth or services received by a person or household during a certain period of time in economic activity. Income in this study is income earned in one month after deducting all production costs.

In Risna et.al's research (2021) it is stated that it is very important to increase the knowledge and skills of the people affected by COVID-19 in making products and marketing them so that they can increase the income of the people of RT 02 RW 07 Kahurpian Village, Tawang District, Tasikmalaya City. The result achieved is to increase knowledge about increasing income from the field of entrepreneurship for people affected by COVID-19. This will be a driving force for the economy in the region and will further increase people's purchasing power.

METHODS OF RESEARCH

The research design used in this research is quantitative associative research. This study chose a location in Kapal Village, Mengwi District, Badung Regency, Bali Province. The choice of this location was based on the consideration that in Kapal Village the majority of the population produces arts crafts that are used as places of worship or places of offerings for Hindus, one of which is Sanggah crafts. This is interesting to study, considering that recent conditions (pandemic period) have shown signs of a decline in activity, which has affected the income of craftsmen. The independent variables in this study were people's purchasing power (X1), hours of work (X2) and entrepreneurial spirit (X3) of sanggah craftsmen in Kapal Village. The intervening variable in this study was the production value (Y1) of the artisans in Kapal Village. The dependent variable in this study is the income (Y2) of the artisans in Kapal Village. The type of data in this study is Quantitative Data, namely data on people's purchasing power on working hours, entrepreneurial spirit, production value, and income of sanggah craftsmen in Kapal Village. The data used in this study are primary data and secondary data from the Central Bureau of Statistics, the Department of Industry and Trade. The data collection technique used is by means of non-participatory observation and structured interviews.

The population in this study were all sanggah craftsmen in Kapal Village, totaling 96 sanggah craftsmen. The method of determining the sample in this study is the saturated

sample, that is, all members of the population are taken as samples. So that the total number of samples in this study were 96 objections craftsmen in Kapal Village. The instrument used in this study was a questionnaire or closed questionnaire which contained a set of statements based on the indicators of each variable. Based on the method of data collection, the instruments used in this study will be measured on an ordinal scale and a ratio scale. Questionnaires that use ordinal scales are designated as questionnaires whose variables are not measured directly, but use indications. This questionnaire is structured in the form of statements with 5 levels of answers, which are also made on a Likert scale. The analysis technique used in this research is path analysis technique. Path analysis is used to describe and test models of relationships between variables in the form of causation (Sugiyono, 2019). The path analysis model can be broken down into two sub-structures (equations), namely:

$$LnY_1 = \beta_1 LnX_1 + \beta_2 LnX_2 + \beta_3 X_3 + e_1 \ldots \ldots \ldots \ldots (1)$$
$$LnY_2 = \beta_4 LnX_1 + \beta_5 LnX_2 + \beta_6 X_3 + \beta_7 Y_1 + e_2 \ldots \ldots \ldots \ldots (2)$$

Where:
    X1 = Public Purchasing Power;
    X2 = Outpouring of Working Hours;
    X3 = Entrepreneurial Spirit;
    Y1 = Production Value;
    Y2 = Income;
    e1, e2 = interfering variables;
    β1, β2, β3, β4, β5, β6, β7 = Coefficient of each variable.

RESULTS AND DISCUSSION

Descriptive statistics are statistics that aim to summarize a number of data sets by processing them to display some important information such as the amount of data, minimum value, maximum value, average, and standard deviation. Descriptive statistics can also use illustrations such as graphs and charts. Unlike inferential statistics, descriptive statistics do not provide conclusions about a population with a data sample (Sasrawan et al. 2021).

Table 4 – Descriptive statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Public Purchasing Power	96	6	15	11.45	2.406
Outpouring of Working Hours	96	608	1566	1005.82	238.129
Entrepreneurial Spirit	96	10	25	18.97	4.174
Production Value	96	12500000	46950000	27546510.42	8819133.370
Income	96	8600000	33000000	19349375.00	6590010.752

Source: Primary data, 2022.

Based on the data in Table 4, it is known that the purchasing power of the people in Kapal Village, the researcher uses 5 indicators and 3 statements. The 3 statements are seen from the demand for goods or services, seen from the visitors who come are reduced, seen from the results of sales and income, with measured using an ordinal scale by awarding points, namely 1 to. 5 points in each statement. Based on the distribution of the questionnaires, it can be seen that the lowest total respondent's answer is 6 points, while the highest total answer is 15 points with an average answer of 11 points. Furthermore, the working hours allocation shows the lowest working hours in Sanggah craftsmen with 608 working hours per month, while the highest working hours is 1566 working hours with an average of 1005 working hours per month. To find out the entrepreneurial spirit of sanggah craftsmen in Kapal Village, researchers used 5 indicators and 5 statements. The 5 statements can be seen from the results of sales and income, courage to take advantage of opportunities, have a habit of working hard, tenacious and diligent, have the courage to take

risks, easy to adapt with other people and see the situation, have creative and innovative abilities, and are measured using an ordinal scale by awarding points, namely 1 to. 5 points in each statement. Based on the distribution of the questionnaires, it can be seen that the lowest total respondent's answer is 10 points, while the highest total answer is 25 points with an average answer of 18 points. The smallest production value of sanggah craftsmen in Kapal Village is Rp. 12,500,000 and the highest production value is Rp. 46,950,000 with an average value of Rp. 27,546,510. The smallest income of sanggah craftsmen in Kapal Village is Rp. 8,600,000 and the highest income is Rp. 33,000,000 with an average value of IDR 19,349,375.

Validity test is a test that aims to ensure that the instrument in the form of questions can be used to measure what should be measured (Sugiyono, 2014). The validity test was carried out using the Pearson correlation method through the IBM SPSS Statistics 25 software. If the correlation score of each item to the total item score is greater than the Pearson correlation (0.3), then the research instrument is declared valid. The test results are presented in Table 5 below.

Table 5 – Recapitulation of Research Instrument Validity Test Results

Variable	Indicator	*Pearson Correlation*	Description
Public Purchasing Power (X1)	X1.1	0,795	Valid
	X1.2	0,716	Valid
	X1.3	0,604	Valid
Entrepreneurial Spirit (X3)	X3.1	0,774	Valid
	X3.2	0,711	Valid
	X3.3	0,770	Valid
	X3.4	0,691	Valid
	X3.5	0,727	Valid

Source: Primary data, 2022.

The results of the validity test in Table 5 show that all question indicators in the variables of people's purchasing power and entrepreneurial spirit have a Pearson correlation greater than 0.30 so that all indicators meet the data validity requirements.

Reliability test is a test carried out to ensure that if an instrument is used to measure the same object repeatedly, the resulting data remains the same (Sugiyono, 2019). These tests are important to ensure measurements are reliable and reliable. Testing was done with Cronbach's alpha. Cronbach's alpha is used to measure the level of consistency of respondents' answers to a measurement instrument (Klein, 2016). An instrument can be said to be reliable if the Cronbach's alpha coefficient from the test results is greater than 0.60. For more details, see Table 6 below.

Table 6 – Reliability Test Results

Variable	Nilai *Cronbach's alpha*	Description
Public Purchasing Power	0,960	Reliable
Entrepreneurial Spirit	0,964	Reliable

Source: Primary data, 2022.

Based on Table 6 above, the value of Cronbach's alpha is greater than 0.6 so that this variable is appropriate to be used as a measuring tool in the questionnaire instrument in this study.

Descriptions of research variables are used to explain the results of data processing and collection of instruments. Data was collected through a research instrument with a research method in the form of distributing questionnaires directly to respondents, namely protest craftsmen in Kapal Village. The following is a description of the data based on the frequency presented in Table 7.

Based on Table 7 it can be seen that in terms of people's purchasing power it is known that of the 96 research respondents, the total points obtained were 1099 points with the value of people's purchasing power that appeared most often, namely 11 points. In the variable working hours, it is known that out of 96 research respondents, the total working

hours is 96,559 hours with the most frequent working hours is 1005 working hours. In the entrepreneurial spirit variable, it is known that of the 96 research respondents, the total points obtained were 1821 points with the value of the entrepreneurial spirit that appeared most often, namely 18 points. In the production value variable, it is known that the total production value of the 96 respondents for 1 month is Rp. 2,644,465,000, with the production value that occurs most frequently at Rp. 27,546,510. In terms of income, it is known that of the 96 research respondents, total overall income reached IDR 1,857,540,000, with the most frequent income value IDR 19,349,375.

Table 7 – Data Description Based on Frequency

	Public Purchasing Power	Outpouring of Working Hours	Entrepreneurial Spirit	Production Value	Income
N Valid	96	96	96	96	96
Missing	0	0	0	0	0
Mean	11.45	1005.82	18.79	27546510.42	19349375.00
Mode	12	756	22[a]	26500000	18500000
Std. Deviation	2.406	238.129	4.174	8819133.370	6590010.752
Minimum	6	608	10	12500000	8600000
Maximum	15	1566	25	46950000	33000000
Sum	1099	96559	1821	2644465000	1857540000

a. Multiple modes exist. The smallest value is shown.
Source: Primary data, 2022.

In path analysis, the direct effect is expressed by the ρi coefficient, while the indirect effect and total effect can be calculated by making separate calculations. Parameter estimation was carried out by means of regression analysis through SPSS IBM 25 software, the following results were obtained.

Substructure I:

$$Y_1 = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e_1$$

Table 8 – Regression of Sub-structure 1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.948[a]	.898	.895	2907205.306

a. Predictors: (Constant), Entrepreneurial Spirit, Outpouring of Working Hours, Public Purchasing Power

ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	6357.000	3	2119.000	250.752	.000[b]
Residual	718.200	92	845.427		
Total	7076.000	95			

a. Dependent Variable: Production Value
b. Predictors: (Constant), Entrepreneurial Spirit, Outpouring of Working Hours, Public Purchasing Power

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	-12204906.180	1495432.561		-8.161	.000
Public Purchasing Power	.760	.432	.339	3.636	.000
Outpouring of Working Hours	.949	.863	.257	4.165	.000
Entrepreneurial Spirit	.819	.662	.401	4.552	.000

a. Dependent Variable: Production Value

Source: Primary data, 2022.

The results of testing the data show a beta coefficients value of 0.339 with a probability of $0.000 < (\alpha)0.05$, then H0 is rejected and H1 is accepted. This means that people's purchasing power has a positive and significant effect on the production value of sanggah craftsmen in Kapal Village, Mengwi District, Badung Regency. The low purchasing power of the people affects the achievement of the production value of objectionable craftsmen, and vice versa, if the purchasing power of the people increases, the production value also

increases. This is in line with the research of Desi et al., (2021) that there is an impact of Covid-19 on the production and purchasing power of people in the city of Mataram. Production activities are activities carried out to produce goods and services. This happens to business actors engaged in various fields, both on a micro and macro scale. To see business and production activities in the community's economy, usually using a micro scale with MSME standards, so one measure of production activity that is used is MSME. This is also reinforced by the results of Antonius et al.'s research, (2019), namely purchasing power has a positive and significant effect on the value of catfish production.

The results of testing the data show a beta coefficients value of 0.275 with a probability of 0.000 <0.05, then H0 is rejected and H1 is accepted, this means that working hours have a positive effect on the production value of objectionable craftsmen in Kapal Village, Mengwi District, Badung Regency. The results of this study indicate that the higher the outpouring of working hours, the higher the production value that is generated, and vice versa, if the lower the outpouring of working hours, the production value produced by counter-producers is getting lower. Production is inseparable from the aspect of working hours. The factor of working hours is one of the factors that plays an important role in production activities (Nugraha and Lewis, 2013). The workforce plays a role in general small industries, where the accuracy and skills of employees who handle the production process have a direct impact on the production value produced by Arthina et al., (2016). Setting working hours and the appropriate number of workers has a positive influence on business production value. This is consistent with the results of research by Aldida et al., (2013) which states that working hours have a positive effect on the value of industrial production. This is also reinforced by the research of Siti et al., (2018), namely the total outpouring of working hours for the home industry has a positive and significant effect on the production value of livestock businesses in Massamaturu Village.

The results of testing the data show a beta coefficients value of 0.401 with a probability of 0.000 <0.05, then H0 is rejected and H1 is accepted, this means that the entrepreneurial spirit has a positive effect on the production value of objectionable craftsmen in Kapal Village, Mengwi District, Badung Regency. This is in line with research by Jayanthi et al., (2015) which states that the entrepreneurial spirit has a positive influence on the value of industrial production. Entrepreneurial attitude indicates that cognition will answer the question of what is expected or perceived about the object of entrepreneurship, marked by the self-confidence of an entrepreneur that is self-confident, oriented towards tasks and results, takes risks and likes challenges, leadership, originality, oriented towards the future entrepreneurs show things which means. In previous research conducted by Pamela et al., (2016), it concluded that entrepreneurial competence has a positive and significant effect on business success. The higher the entrepreneurial competence in the strategic, technical, and leadership fields, the higher the production value and business income. Agung et al., (2021) research shows that entrepreneurial spirit and spirit have a beneficial and substantial influence on the production value of a company. Entrepreneurial orientation plays an important role in improving business performance.

Substructure II:

$$Y_2 = \beta_4 X_1 + \beta_5 X_2 + \beta_6 X_3 + \beta_7 Y_1 + e_2$$

The results of testing the data show a beta coefficients value of 0.339 with a probability of 0.000 <0.05, then H0 is rejected and H1 is accepted, this means that people's purchasing power has a positive effect on the income of objectionable craftsmen in Kapal Village, Mengwi District, Badung Regency. This means that when people's purchasing power is low, the income of objectionable craftsmen also decreases, and vice versa, if people's purchasing power increases, their income will also increase. Purchasing power is the ability of individuals and organizations to buy and use goods and services. In measuring purchasing power, the factors that influence purchasing power according to Basu and Irawan (2008) are income, tastes, and prices. Purchasing power is closely related to inflation and the amount of income and expenditure which leads to an overview of the level of welfare enjoyed by the

community as a result of improving economic activity. The higher the people's purchasing power, it can be said that the higher the level of income. A high level of income indicates that a person is in a condition to be able to meet his needs or in other words the person is not included in the category of the poor (Rosyadi et al., 2019). Based on research conducted by Fitriani et al., (2017) that people's purchasing power is closely related to income.

Table 9 – Regression of Sub-structure 2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.944[a]	.891	.888	2232630.374

a. Predictors: (Constant), Entrepreneurial Spirit, Outpouring of Working Hours, Public Purchasing Power, Production Value

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3478.000	4	1159.000	232.617	.000[b]
	Residual	423.560	92	498.701		
	Total	3902.500	95			

a. Dependent Variable: Income
b. Predictors: (Constant), Entrepreneurial Spirit, Outpouring of Working Hours, Public Purchasing Power, Production Value.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-10144260.432	1148439.070		-8.833	.000
	Public Purchasing Power	.833	.641	.348	3.610	.001
	Outpouring of Working Hours	.382	.158	.267	4.196	.000
	Entrepreneurial Spirit	.686	.880	.378	4.149	.000
	Production Value	.668	.041	.900	16.169	.000

a. Dependent Variable: Income.

Source: Primary data, 2022.

The results of testing the data show a beta coefficients value of 0.348 with a probability of 0.001 <0.05, then H0 is rejected and H1 is accepted, this means that working hours have a positive effect on the income of objectionable craftsmen in Kapal Village, Mengwi District, Badung Regency. This means that the higher the working hours of objectionable craftsmen, the income achievement will also increase, and vice versa, if the working hours are lower, the income of objectionable craftsmen will also decrease. This is reinforced by the results of research analysis by Riana et al., (2019) showing that the variable working hours of traders and the number of family dependents has a positive effect on income. This is in line with the results of research by Sucipta (2019) which shows that working hours have a positive and significant effect on income levels in poor households. The higher the time a person spends doing work, the higher the opportunity for that person to get additional income. These findings are also in line with research conducted by Harahap et al., (2019) which states that working hours have a positive effect on household income.

The results of testing the data show a beta coefficients value of 0.378 with a probability of 0.000 <0.05, then H0 is rejected and H1 is accepted, this means that the entrepreneurial spirit has a positive effect on the income of objectionable craftsmen in Kapal Village. This means that the indicator of the entrepreneurial spirit has an influence on the income of objectionable craftsmen in Kapal Village, Mengwi District, Badung Regency. Based on research conducted by Rusadi et al., (2015) the entrepreneurial spirit has a positive and very significant relationship to the income of the oyster mushroom business in Denpasar City, with the most dominant indicator of the entrepreneurial spirit being creative. This is also in line with research conducted by Irawati (2017) which shows that entrepreneurial spirit has a positive and significant effect on income. Carson (2002) defines the entrepreneurial spirit as an effort to learn about the values, abilities and behavior of a person in an effort to create and innovate in increasing income.

The results of testing the data show a beta coefficients value of 0.900 with a probability of 0.000 <0.05, then H0 is rejected and H1 is accepted, this means that the production value has a positive effect on the income of objectionable craftsmen in Kapal Village, Mengwi District, Badung Regency. The increased production produced will increase the company's sales so that it will increase revenue for the company, the greater the production value of a company will affect its income. This is reinforced by the results of research by Wira et al., (2019) that production value has a positive and significant effect on the income of the apparel industry in Karangasem Regency. Annisa's research results (2016) state that the amount of production has a positive and significant effect on the income of furniture industry entrepreneurs in Tunjung Sekar Village, Malang City. Income is basically the remuneration received by the owner of the factors of production for his sacrifice in the production process. One of the concepts to measure a person's economy is through his income level. Income shows all the money received by a person or household during a certain period of time in an economic activity (Sukirno, 2004:37). The benchmark for the progress of a community's economy is by looking at how much income it can generate.

Testing the indirect effect in this study was carried out using the Sobel test. For more details, see Table 10 below:

Table 10 – Indirect Effects

Relations Between Variables	Intervening Variables	Sab	Z	Description
$X_1 \rightarrow Y_2$	Y_1	0.29589	1.04527	Positive
$X_2 \rightarrow Y_2$	Y_1	0.31683	1.00097	Positive
$X_3 \rightarrow Y_2$	Y_1	0.50955	0.65953	Positive

Based on Table 10, it shows that the indirect effect of people's purchasing power (X1) on income (Y2) through production value (Y1) has a calculated Z value of 1.04 <1.96, then H0 is accepted and H1 is rejected, which means that the public purchases do not have a direct effect on income. The indirect effect of working hours (X2) on income through production value has a calculated z value of 1.00 > 1.96, then H0 is accepted and H1 is rejected, which means that working hours have no direct effect on income. The indirect effect of the entrepreneurial spirit (X3) on income through production value has a calculated z value of 0.65 > 1.96, then H0 is accepted and H1 is rejected, which means that the entrepreneurial spirit has no direct effect on income.

From the results of the calculation of the Sobel test, a Z value of 1.04 was obtained for people's purchasing power, 1.00 for working hours, and 0.65 for entrepreneurial spirit. Testing the data shows that Z is calculated from the variables of people's purchasing power, working hours and entrepreneurial spirit through the production value of sanggah craftsmen in Kapal Village, Mengwi District, Badung Regency, which is less than 1.96 with a significance level of 5%, thus proving that the production value is not able to mediate the relationship between the influence of people's purchasing power, working hours and entrepreneurial spirit on the income of objectionable craftsmen in the new normal era in Kapal Village, Mengwi District, Badung Regency.

CONCLUSION

Based on the results of the research that has been done, it can be concluded that: People's purchasing power, working hours and entrepreneurial spirit have a direct positive and significant effect on the production of objectionable craftsmen in the new normal era in Kapal Village, Mengwi District, Badung Regency. People's purchasing power, working hours and entrepreneurial spirit directly and significantly affected the income of objectionable craftsmen in the new normal era in Kapal Village, Mengwi District, Badung Regency. People's purchasing power, working hours and entrepreneurial spirit indirectly did not affect income through the production value of sanggah craftsmen in the new normal era in Kapal Village, Mengwi District, Badung Regency.

Based on the research that has been done, the suggestions that can be given from the results of this study are as follows. To be able to overcome the problems faced, such as the condition of people's purchasing power that is currently difficult, craft industry entrepreneurs can come up with new strategies to attract the attention of potential customers, such as providing price reductions or providing payments that may be paid in installments to potential customers. To increase the value of production, it is necessary to increase the skills of the workforce, the quality and quantity of the workforce and the need to monitor working hours so that they are consistent and efficient at work and increase production results. Craft industry entrepreneurs in Mengwi District, especially in Kapal Village, during the pandemic and new normal era, should optimize social media information technology to promote their craft products and use the online payment method in transactions.

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