
ABSTRACT

Cassava processing enterprises in Salatiga City hold significant economic potential but face various challenges such as limited access to capital, unstable raw material supply, limited labor, and uneven government assistance. This study aims to analyze the influence of capital, labor, raw materials, and government support on the income of cassava-based micro-enterprises in Salatiga. The research problem arises from the importance of empowering local MSMEs based on indigenous potential and improving community welfare through the optimization of production factors.

This research adopts a quantitative method using multiple linear regression analysis. Data were collected through questionnaires distributed to 58 cassava-processing business actors in Salatiga, selected through purposive sampling. The independent variables include capital, labor, raw materials, and government assistance, while the dependent variable is business income. Statistical software was used to process and analyze the data, testing both simultaneous and partial effects of each variable on income.

The results indicate that capital, labor, raw materials, and government assistance simultaneously have a significant effect on the income of cassava processing business actors in Salatiga. Partially, the variables of capital, labor, and raw materials have a positive and significant effect, while government assistance has no effect on income. Based on these findings, synergy is needed between business actors and the government in optimizing MSME development policies based on local potential.

Keywords: MSMEs, Cassava Products, Capital, Labor, Raw Materials, Government Assistance, Income, Salatiga City