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Towards Community-based Enterprises Empowerment Model for Rural Areas

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Abstract

Entrepreneurship is essential for sustainable social transformation. Entrepreneurial motives and qualities are recognized as central to building every business activity, including small businesses. This study examines various problems faced by the community in its efforts to develop community-based entrepreneurship as an alternative model in rural areas in Indonesia. Data were collected using questionnaires on 83 small business communities located in rural areas in Indonesia. Community-oriented entrepreneurship is an alternative form of social entrepreneurship, pursuing economic benefits based on social networks.

Keywords: community-based enterprises, empowerment model, rural development, Indonesia

Abstrak

Kewirausahaan memiliki peran penting untuk transformasi sosial yang berkelanjutan. Motif dan kualitas kewirausahaan diakui sebagai inti dalam membangun setiap aktivitas bisnis, termasuk usaha kecil. Penelitian ini mengkaji berbagai permasalahan yang dihadapi masyarakat dalam upaya mengembangkan kewirausahaan berbasis masyarakat sebagai salah satu model alternatif bisnis di wilayah pedesaan Indonesia. Pengumpulan data dilakukan menggunakan kuesioner pada 83 komunitas usaha kecil yang berada di wilayah kabupaten Banyumas Jawa Tengah. Kewirausahaan yang berorientasi pada masyarakat merupakan salah satu bentuk alternatif dari kewirausahaan sosial yang mengejar keuntungan ekonomi berbasis jaringan sosial.

Kata kunci: kewirausahaan berbasis masyarakat, model pemberdayaan, pembangunan pedesaan, Indonesia

Introduction

The Indonesian government has a plan to be in the ranks of middle-income countries by the year 2025. To achieve it, the government has to employ the right strategy to achieve the vision. A study from Harvard Kennedy School (2014) reports that Indonesia must increase its domestic income growth (real GDP) twofold to achieve its goals.

Regional development based on local potential often places a higher priority on physical development as an indicator of success and still ignores human development. Human development or efforts to improve Human Resources (HR) quality can assist in the development process. According to Sen (in Chalid, 2005), freedom

is the core of development, and society must not be strangled. Lack of freedom includes poverty (depriving people of the opportunity to get adequate nutrition), low economic opportunities (such as opportunities for women to work outside the home), and neglect of public facilities. Thus, human development (HR) is the prerequisite of successful regional development (Chalid, 2005).

The formation of quality human resources can increase productivity and maximize economic development. The problem that often arises is that most youngsters are looking for jobs rather than creating jobs (Darwanto, 2012). Today's labor market conditions indicate that the labor supply is greater than the demand, leading to a higher unemployment level.

Meanwhile, the number of job providers (entrepreneurs) in Indonesia is still small. The economic development of a country depends on its industry growth patterns, which also depends on the competencies of its entrepreneurs (Santhi & Kumar, 2011).

This theory is in line with the argument made by the economist Joseph Schumpeter in the 1940s regarding the concept of creative destruction, namely as a recurring mechanism and an innovation process in which new production (goods and services) replaces obsolete products. Thus, it is the business sector that plays a significant role in this process. Business firms will be active in productive sectors. Furthermore, Schumpeter argues that the combination of management in the productive sector with the management of resources will increase economic development by creating new entrepreneurs as development accelerators.

As explained earlier, Indonesia aspires to be a middle-income country by 2025. Achieving this goal is not easy because Indonesia is still having several development problems, such as inequality, poverty, and unemployment. One way to improve community welfare is through regional development by looking at local potential.

Local potential based development in one region allows the area to produce output with comparative advantages (raw materials and market location). With the development of local potential in a region, the regional economy is expected to increase, creating more regional jobs.

Formulation of the problem

As a developing country, Indonesia faces various economic development problems, especially those related to problems in rural areas. Indonesia's Central Statistics Agency (BPS), in 2010, noted that 49 percent of the population lived in urban areas, while the remaining 51 percent of the population lived in rural areas. The majority of the poor live in the village or suburb area, as shown in Table 1 below:

Table 1. Low Income Population in March 2018 - March 2020

	March 2018	Sept. 2018	March 2019	Sept. 2019	March 2020
Urban	7.02	6.89	6.69	6.56	7.38
Rural	13.20	13.10	12.85	12.60	12.82

Source: BPS, 2020

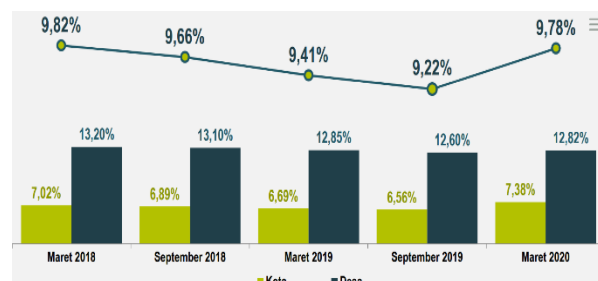


Figure 1. Percentage of poverty in an urban and rural area

The percentage of poor people in urban areas in September 2019 was 6.56 percent and was increased to 7.38 percent in March 2020. Meanwhile, the percentage of poor people in rural areas in September 2019 was 12.60 percent and was increased to 12.82 percent in March 2020. Compared to September 2019, the number of poor people in March 2020 in urban areas increased by 1.3 million people (from 9.86 million people in September 2019 to 11.16 million people in March 2020). Meanwhile, in rural areas, the number increased by 333.9 thousand people (from 14.93 million people in September 2019 to 15.26 million people in March 2020). The Poverty Line in March 2020 was reported to be at IDR 454,652 / capita/month with the composition of the Food Poverty Line at IDR 335,793 (73.86 percent) and the Non-Food Poverty Line at IDR 118,859 (26.14 percent). On average, in March 2020, Indonesia's poor households were reported to have 4.66 household members. Thus, the average poverty line per poor household is IDR 2,118,678 / poor household/month.

The phenomenon of poverty in urban and rural areas can be explained based on Boeke's economic dualism, which often occurs in developing countries. People living in rural areas use traditional systems (hereditary methods and techniques),

resulting in lower worker productivity than the modern urban economic system. Furthermore, low productivity indicates the village's low wages, while workers in modern economic systems will have relatively high wages. Also, the skills and abilities they have will further widen the wage difference between the two groups. In the end, it will affect the level of job opportunities and the income gap of the community.

Most of the development problems with poverty and unemployment are relatively higher in the village. Thus, efforts are needed to overcome these development problems to improve people's welfare. The Indonesian government's economic policy is more inclined towards regional development by looking at human and natural resources' local potential.

The availability of labor and business actors in the rural area (village) and raw materials can stimulate economic development through creative destruction mechanisms through community empowerment. Community-based rural entrepreneurs require the ability to create innovative ideas to produce goods and services, which can create jobs. Considering creating that occurred in rural areas; it is necessary to analyze the challenges and opportunities for entrepreneurship in the village.

Literature Review

The term entrepreneur comes from the French "entrepreneur" and German "Unternehmen," which both mean to run or do business. Meanwhile, in The American Heritage Dictionary, the term entrepreneur is defined as a person who organizes, runs, and calculates risk into a place. Meanwhile, according to Subroto (2013), entrepreneurship is an attitude, enthusiasm, and ability to create something new and useful for oneself and others. Santhi and Kumar, (2011) also argue that the term entrepreneurship is an act of doing business. Someone who is innovating has sharpness in trading and calculating to turn innovation into economic goods.

Martin and Osberg (2007) mention several essential characteristics of entrepreneurs: first, inspiration, an entrepreneur will be inspired to make a change. Second, creativity, the entrepreneur thinks creatively and develops new solutions entirely different from existing ones. Third, direct Action. When an entrepreneur has been inspired and thinks creatively, they will immediately act to manifest the idea rather than waiting for someone else to do it. Fourth, courage; an entrepreneur has the determination to undergo the innovation process, is willing to take risks and failures; the fifth characteristic is fortitude. An entrepreneur has tenacity in producing creative solutions through an understanding of the market.

Meanwhile, according to Oruc *et al.* (2013), past studies had identified the factors that influence entrepreneurial growth related to rural entrepreneurship. Most of them divide it into two factors, internal factors such as the characteristics of entrepreneurs and business characteristics) and external factors such as population, availability of raw materials, support from the government, characteristics of the labor market and merchandise, quality of the production chain, and financial assistance availability.

Research conducted by Ajibefun and Daramola (2003) in Nigeria found that the business owners' education level strongly influences efficiency and business growth. Educated business owners will significantly impact business sustainability. Therefore, education and training for business actors, especially in rural areas, are essential. Furthermore, knowledge of marketing techniques, distribution, or new technology will also improve business performance.

The influence of infrastructure will have an impact on company performance. The availability of roads, water, electricity, or even an internet network is an essential infrastructure for running a business in rural areas— the better the infrastructure is, the better the performance of business actors in these villages.

The role of institutions in rural entrepreneurship cannot be ruled out. Oruc *et al.* (2013) argue that institutions' availability and support influence rural development success.

Expressly, Santhi and Kumar (2011) set out several parameters for the challenges faced by business actors in rural areas, including the family challenge. Business actors, particularly in rural areas, find it difficult to convince their families why they choose to do business instead of working. Second, the social challenge. The business community's evaluation that we prefer relative to other tasks, such as work. Third, the technical challenge. The challenges of technological innovation in the future cannot be seen as straightforward. For example, online shopping makes it easier for customers to buy (physically) without going to the store. Fourthly, there is almost always a financial challenge in running a company. In rural areas, business actors in rural areas usually also use their resources, such as personal investments—finally, the policy task of shaping government policies towards entrepreneurs in rural areas. Most rural enterprises are small and informal. The government should introduce empowerment policies for these small business actors. The problem is that many small and medium-sized enterprises in rural areas are often not registered or still informal, making it difficult for the government to decide on its policies.

Research Methodology

This study applied the survey method by using both qualitative and quantitative approaches. The survey included 83 rural business actors in the regions of Central Java, West Java, and Yogyakarta. Data collection methods or techniques used in this analysis were observation, questionnaires, interviews, web-based information, and data. To process and interpret the data, we concentrated on factors that become barriers and opportunities of running a company in rural areas. The data analysis is presented based on the results of descriptive and regression analysis. For the regression analysis, referred

to Headd (2000) and Oruc *et al.* (2013), the model can be formulated as follows:

$$Y_i = \beta_0 + \beta_j \text{ACKD}_{ij} + \beta_k \text{ACKB}_{ik} + \beta_l \text{ACCSF}_{il} + u_i$$

Y is the time-dependent variable to start a company. This variable is a dummy variable, i.e., one means that the business actor did business in 2010-2015, and 0 is the opposite. To see how much new entrepreneurs (new entrances/start-ups) are involved in rural areas' entrepreneurship, the independent variables were divided into three:

KD is a demographic feature, such as gender, age, education level, and migration experience.

KB is a business attribute, such as the business age, whether it is inherited or not, and the export experience.

CSF is a vital success factor that provides details on criteria that become challenges and a driving force in running an entrepreneurial company. This variable contains perceptual data, so it requires special attention when estimating the above model.

For the ordinal variable estimation technique (CSF), this research refers to the regression method written by Winship and Mare (1984), which treats independent ordinal variables as instrument variables.

Result and Findings

Internal factors

Entrepreneur Characteristics

From the survey results, it can be seen that business ownership according to gender (gender) is still From the survey results, it can be seen that business ownership based on gender is still dominated by men, by 61 businesses. However, at the productive age (age 25-40 years), the distribution of business ownership according to gender shows that women's involvement in business fields is more significant than men, 63.64 percent to 44.26 percent.

Table 2. Business Owners Based on Gender and Age

Information	Woman (person)	Male (person)
Age <25 years	2	8
Age 25-40 years	14	27
Age > 40 years	6	26
Total	22	61

Meanwhile, according to the level of education, the survey results can be seen in the Graph. This Graph shows that most of the study sample; almost half (57.8 percent) are high school graduates. Even though most village communities have received compulsory education, they prefer to do business, or they may not enter the labor market and prefer to become self-employed.

Business actors who are included in the sample in this study, as previously found, are not only young entrepreneurs who are the majority but also those at the entry-level or new entrepreneurs, as shown in the following table.

Table 3. Length of Business with Year of Start of Business

Business Start Year	Length of Business			amount
	<1 year	1-3 years	> 3 years	
Before 1990	-	-	1	1
1990-1995	-	1	1	2
1995-2000	-	-	10	10
2000-2005	-	-	10	10
2005-2010	-	1	22	23
2010-2015	4	17	16	37
amount	4	19	60	83

Most of the business actors, 60 people in the sample, have been in business for more than three years. However, what is interesting is that the new entrepreneurs who started their business in 2010-2015 dominated the business actors in the villages

Table 4. Respondents categories based on their business type

Type	Agriculture	Retail	Fishery	Ranch	Workshop	Restaurant	Others	Total
	3	24	5	5	5	21	20	83

Table 5. Number of Employees

Frequency	Number of Employees (person)					
	<20	20-40	41-60	61-80	81-100	> 100
	78	3	0	1	0	1

who were sampled. A total of 37 business actors are included in the new entrepreneur category. Once every five years, the number of rural entrepreneurs has increased, indicating the growing interest of rural residents to get involved in the business.

Business Characteristics

The survey results show that most of the sample of entrepreneurs in rural areas are in the retail/shop and restaurant type. For Stores / Retail, there were 24 outlets or 28.92 percent, while Restaurants were 21 stalls or 25.3 percent. Meanwhile, those related to agriculture, fishery, and livestock occupy the lowest portion of this business type. Rural areas are facing a limited amount of natural resources as the material for business. Thus, most of these natural products may still be consumed by the community (subsistence), or their production is used for consumption.

There are about 43 business actors whose businesses are production-based. The majority of production-based business actors are household, livestock, and agricultural businesses. Meanwhile, there are 32 businesses whose businesses are re-seller based. The business actors that dominate the re-seller base are retail/store, business owners.

The number of employees and sources of business capital is depicted in table 5. The majority of business actors in rural areas have less than 20 workers. Likewise, most of the business actors in rural areas are classified as micro and small businesses (micro-businesses employ 1-4 people, while small businesses 5-19 people).

The table shows the survey results on sources of capital in doing business in rural areas. There were 42 respondents from rural business operators who answered that their business capital came from savings, and 21 respondents answered that it came from bank loans.

Table 6. Sources of Business Capital

	Sources of Business Capital					
	Savings	Family	Borrow Friends	Receiving Payment	Borrow Bank	Others
Frequency	42	17	0	2	21	1

Meanwhile, to see the relationship between the rural business capital source, actors were classified as micro and small entrepreneurs, as shown in the following table:

Table 7. Sources of Business Capital in each Business Group

Number of Workers (people)	Sources of Business Capital						
	Savings	Family	Borrow Friends	Receiving Payment	Borrow Bank	Others	amount
<20	39	16	0	2	20	1	78
20-40	2	-	-	-	1	-	3
41-60	-	-	-	-	-	-	0
61-80	-	1	-	-	-	-	1
81-100	-	-	-	-	-	-	0
> 100	1	-	-	-	-	-	1
amount	42	17	0	2	21	1	83

The table above shows that the capital sources for micro and small enterprises in rural areas are diverse. Most of the capital comes from micro and small businesses in the village from savings, followed by bank loans and family loans.

The composition of the company's assets can be seen in the table below:

Table 8. Asset Composition

Number of Workers (people)	Asset Source						
	Alone	Leasing	Borrow	Grant	Legacy	Others	amount
<20	63	4	6	0	5	-	78
20-40	3	-	-	-	-	-	3
41-60	-	-	-	-	-	-	0
61-80	1	-	-	-	-	-	1
81-100	-	-	-	-	-	-	0
> 100	1	-	-	-	-	-	1
amount	68	4	6	0	5	-	83

Most of the company's assets are obtained from the personal assets of the company owners. Meanwhile, related to the business criteria, the Source of assets for micro and small businesses comes from the owner's savings (63 micro and small business actors).

External Factors

Apart from being influenced by internal factors, business characteristics and rural entrepreneurship are also influenced by external factors. Among these external factors are:

Accessibility

This aspect is related to the access of business actors in rural areas to roads, the internet, clean water, and electricity. The survey results show that the obstacle for business actors in rural areas is internet access. Most internet facilities are located in cities and often do not reach rural areas or even remote areas. This limited internet access can be an obstacle, especially in the current era, where competition for marketing products, both goods, and services, is online.

Distance

Furthermore, distance can also affect entrepreneurial interest in rural areas. Entrepreneurs can choose a cheaper business location, whether closer to the Source of production factors (raw materials and labor) or closer to the market. As the following survey results show, most business actors are located by considering the market aspect. It can be understood that most respondents have businesses that are engaged in shops/retail and restaurants, so they tend to prefer business locations close to the market. Meanwhile, the distance from government institutions shows that; the distance to public services in such as government institutions is perceived by the respondents to be not close enough. Most government institutions are located in the cities, and some respondents are located in villages. The respondents feel

that financial services (banks or non-bank financial institutions) can be reached easily. Most of the buyers of products from business actors are for personal consumption (Graph). It is obtained that 63.86 percent of respondents whose goods they sell are used for consumer consumption. This finding is consistent with previous business actors' characteristics, mostly in the business sector for consumption. Meanwhile, 13.25 percent of the goods sold for resale or consumers were the re-sellers.

For the migration experience, 29 respondents were local people or had never migrated; the rest were mostly immigrants, as many as 54 respondents. To find out the survey results regarding the supporting and inhibiting factors for entrepreneurs in rural areas to run a business. This study uses a Likert Summated Rating (LSR). LSR can show the tendency of respondents' perceptions of the statements submitted.

Using LSR, we can find out the obstacles in running an entrepreneurial business in rural areas.

The results of LSR data processing shows that most respondents agree with the ease of administration aspect. Alternatively, when running their business, entrepreneurs in rural areas consider administration to be an essential aspect.

Administrative Aspects

Table 9. Results of LSR for Administrative Aspects

Question Type: Positive Question					
Total Score For Each Respondent			Total Score For All Respondents		
Maximum	5x3 items	15	Maximum	83X15	1245
Minimum	1x3 item	3	Minimum	83x3	249
Median	3x3item	9	Median	83x9	747
Quartile I	2x3 items	6	Quartile I	83x6	498
Quartile II	4x3 items	12	Quartile II	83x12	996
Acquisition Rate	843				
Conclusion	Agree				

Infrastructure

Table 10. Results of LSR for Administrative Aspects

Question Type: Positive Question					
Total Score For Each Respondent			Total Score For All Respondents		
Maximum	5x3 items	15	Maximum	83X15	1245
At a minimum	1x3 item	3	At a minimum	83x3	249
Median	3x3item	9	Median	83x9	747
Quartile I	2x3 items	6	Quartile I	83x6	498
Quartile II	4x3 items	12	Quartile II	83x12	996
Result Score	951				
Conclusion	Agree				

For the infrastructure aspect, the results show that most of the respondents agreed. When running their business, respondents want adequate infrastructures such as low transportation costs, road access, and the existence of public transportation. Furthermore, the absence of these facilities can become an obstacle for them in running a business.

Ability

Table 11. Results of LSR for Administrative Aspects

Question Type: Positive Question					
Total Score For Each Respondent			Total Score For All Respondents		
Maximum	5x4 items	20	Maximum	83X20	1660
At a minimum	1x4 item	4	At a minimum	83x4	332
Median	3x4 items	12	Median	83x12	996
Quartile I	2x4 items	8	Quartile I	83x8	664
Quartile II	4x4 items	16	Quartile II	83x16	1328
Result Score	1323				
Conclusion	Agree				

From the aspect of business capability, the results of the LSR analysis show that most respondents agreed. It means that they consider the business's ability to be an important factor, such as having a skilled workforce.

Marketing Aspects

Table 12. Results of LSR for Administrative Aspects

Question Type: Positive Question					
Total Score For Each Respondent			Total Score For All Respondents		
Maximum	5x6 items	30	Maximum	83X30	2490
At a minimum	1 x 6 items	6	At a minimum	83x6	498
Median	3x6 items	18	Median	83x18	1494
Quartile I	2x6 items	12	Quartile I	83x12	996
Quartile II	4x6 items	24	Quartile II	83x24	1992
Result Score	1690				
Conclusion	Agree				

Meanwhile, for the marketing aspect, the LSR value shows the number 1690. Thus the respondents mostly agree with the statement related to the marketing aspect. Respondents view marketing aspects such as ease of executing marketing activities, few competitors, cheap and easy to obtain raw materials, and proximity to the market that will influence them in running their business.

Performance

Table 13. Results of LSR for Administrative Aspects

Question Type: Positive Question					
Total Score For Each Respondent			Total Score For All Respondents		
Maximum	5x3 items	15	Maximum	83X15	1245
At a minimum	1x3 item	3	At a minimum	83x3	249
Median	3x3item	9	Median	83x9	747
Quartile I	2x3 items	6	Quartile I	83x6	498
Quartile II	4x3 items	12	Quartile II	83x12	996
Result Score	918				
Conclusion	Agree				

For the performance aspect, the results of the LSR show that most respondents consider performance a vital aspect of running their business.

Financial

Table 14. Results of LSR for Administrative Aspects

Question Type: Positive Question					
Total Score For Each Respondent			Total Score For All Respondents		
Maximum	5x2 items	10	Maximum	83X10	830
At a minimum	1x2 item	2	At a minimum	83x2	166
Median	3x2 items	6	Median	83x6	498
Quartile I	2x2 items	4	Quartile I	83x4	332
Quartile II	4x2 items	8	Quartile II	83x8	664
Result Score	608				
Conclusion	Agree				

Meanwhile, for the financial aspect, the results of the LSR show that most respondents agree that financial criteria (such as the ease of obtaining a loan and large business profits) are factors that influence running a business. It means that if these financial factors are inadequate, such as difficulty obtaining credit and low business profits, it will become an obstacle for entrepreneurs in rural areas to run a business.

Drivers of Business Success

Respondents were asked about the contributing factors and the constraints of their business success. Unlike the previous method, the analysis of the driving factors for success uses Likert analysis in each item using the Likert index. From the calculation of the Likert index, the following results are obtained:

Table 15. Likert Index Calculation Results

No.	Criteria	index	Result
1	Support from Family	89.15662651	SP
2	Availability of Production Materials	88.75502008	SP
3	Good employee	88.75502008	SP
4	Relationships with Other Partners	83.93574297	SP
5	Business Network	81.52610442	SP
6	Government Support	79.11646586	SP
7	Receiving Loans	73.89558233	SP
8	Business owner training	71.48594378	SP
9	Overseas education	41.36546185	P

Description: P is significant, SP is critical

Of all the factors driving the success in running a business, it can be seen from the index table above that the most important thing is family support (index value 89.1). The lowest index value is education abroad, with a value of 41.36, even though the respondents still consider it an essential factor in running their business.

Regression Results

Table 16. Regression Results

Dependent Variable Year of Starting a Business	Coefficient	Standard Error (SE)
Independent Variable		
Assets 1	0.841	0.82
Assets2	0.26	1.31
Assets3	2.57 ***	1.21
Capital 1	2.42	1.78
Capital 2	2.98 *	1.71
Capital 4	2.94	0.17
Capital 5	2.96	1.97
Migration 1	0.60	0.52
Migration 2	0.83	0.66
Migration3	0.68	0.57
Gender	0.83 *	0.44
Age2	1.33 ***	0.39
Education3	0.19	0.38
Export	0.24	0.74
Legacy	0.28	0.58
Distance to Market	0.37	0.45
Aspects of Business Constraints		
Administrative Aspects	-0.006 *	0.003
Infrastructure Aspects	0.0018 *	0.0010
Aspect of Ability	-0.0008	0.0009
Performance Aspects	0.0001	0.0013
Financial aspect	-0.002	0.005
Driving Aspects of Success	0.003 *	0.001

Mean Dependent Var: 0.433

SE of Regression: 0.45

S um Squared Residual: 12.42

Information: *** significant in $\alpha = 1\%$, ** significant in $\alpha = 5\%$ and * significant in $\alpha = 10\%$

The findings of the Probit regression from an internal point of view or show that several factors stimulate nascent demographic characteristics: age and gender entrepreneurs to start their businesses. First, variables. Entrepreneurs between 25 and 40

are more likely to become entrepreneurs in the last five years. This result is consistent with the respondents' demographic conditions, most of whom are young entrepreneurs who have just started their business. In other words, young people in rural areas are more likely to become entrepreneurs in rural areas. In the meantime, from a gender viewpoint, it reveals that men are more likely to be self-employed than women in the last five years.

There are two enabling factors that form market characteristics perspectives: sources of funding and capital sources. The Source of asset funding that dramatically influenced starting a company over the last five years was funding from loans. In other words, most young entrepreneurs funded their assets through loans. The capital aspect that significantly affects the probability of starting a company is the capital that comes from the family. As is usually the case, family money is not that big, and sometimes new entrepreneurs pursue other sources of funding, such as bank loans.

Market constraints include organizational and technological factors. Meanwhile, the administrative aspect is the aspect of the constraints of the industry. Regression results show a negative relationship between business constraints and the likelihood of starting a business in the last five years. More administrative constraints will increase the possibility of starting a business. This finding is not common, or it could be that the business actors who have started their business in the

last five years have not thought about administrative problems. In the case of infrastructure constraints, the regression results suggest a positive relationship. The more limited the infrastructure factor would reduce the chances of becoming an entrepreneur over the last five years.

From the ease of business: variable aspects of driving success. Meanwhile, the performance driver indicator indicates a favorable association with the possibility that people will become entrepreneurs in the last five years. As a result, the higher the driving aspects (such as family support, availability of labor, and raw materials), the more likely it will be for a business actor to start a business.

Conclusion

From the results obtained, the following conclusions can be drawn: first, four factors affect a person's willingness to enter the business world, including demographic characteristics, business characteristics, business constraints, and some factors that make it possible to succeed. Second, age and sex (gender) is the most influential demographic factors, while the most influential market aspect is the source of capital and the funding of properties. Besides, management and infrastructure dimensions are the most prominent obstacles. The aspects of the supporting factors' success impact increasing the possibility of a new company being established.

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