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Agribusiness Development for Human Welfare

2016

"Small and Medium-sized Enterprises Competitiveness"

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AGRIBUSINESS DEVELOPMENT FOR HUMAN WELFARE

“Small and Medium-sized Enterprises Competitiveness”

Agribusiness Development for Human Welfare

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EDITOR TEAM

Siti Yusi Rusimah
Achmad Fachruddin
Rohandi Aziz
Dara Rosalia

ADDRESS

Agribusiness Department
Agriculture Faculty
Universitas Muhammadiyah Yogyakarta

Jl. Lingkar Selatan, Tamantirto, Kasihan, Bantul, Yogyakarta, 55183
Phone. 0274-387656 (ext. 201) Fax. 0274-387646
e-mail: adhw2016@umy.ac.id

EDITOR FOREWORD

The economic integrations by ASEAN certainly have given a major influence on Small and Medium-sized Enterprises (SMEs). Beside economic integration in the form of free trade area (FTA) that has been going on since the early 2000s, economic integration in the form of ASEAN Economic Community (AEC) has been ongoing since the beginning of 2016. Through this integration, SMEs have opportunity to expand access to markets, technology, and capital. But at the same time SMEs are required to improve their competitiveness in order to survive in the market.

In order to explore ideas, concept, and innovations related to the competitiveness of SMEs, International Conference on Agribusiness Development for Human Welfare (ADHW 2016) was held in Yogyakarta on May 14, 2016. The conference organized by Department of Agribusiness Universitas Muhammadiyah Yogyakarta, in collaboration with Department of Agribusiness and Information System Universiti Putra Malaysia, Department of Agro-Industrial Technology Kasetsart University, Department of Agriculture Socio-Economics Universitas Gadjah Mada, Department of Agriculture Socio-Economics of Universitas Brawijaya, Indonesian Society of Agriculture Economics, Agribusiness Association of Indonesia. Hopefully proceedings of ADHW 2016 provide stimulus for increasing competitiveness of SMEs in ASEAN, especially in Indonesia.

Furthermore, we are grateful to Allah, the Sustainer of all word, who always makes it easy for our affairs. We would like to acknowledge with thanks to all the institution and individual who joined with resources and efforts in organizing the conference that resulted in the papers which are published in this proceeding. Special thanks to all authors and discussants who contributed with their intellectual capital and responded to our call papers. Thanks and acknowledgment are also due to all reviewers of the conference who helped in evaluating submitted papers; and to the members of the Organization Committee, who ensured smooth execution of the event.

May 30, 2016

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ATTENDED REVIEWER

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9	Yuniar Khasanah, M.Sc	LIPI	
10	Lusty Istiqamah, M.Biotech	LIPI	
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PREFACE

Assalaamualaikum, Warahmatullaahi., Wabarakaatuh.
Dear Honorable Governor of Yogyakarta Special Province
Dear respectable Prof. Dr. Zainal Abidin Mohamed
Dear respectable Asist. Prof. Pornthipa Ongkunaruk
Dear respectable Rector of UMY Prof. Dr. Bambang Cipto, MA.
Dear all invited Guests, Speakers, and Participants of International seminar of ADHW 2016.

Alhamdulillah, all praise be to the Almighty God, so that we can be gathering here today at Muhammadiyah University of Yogyakarta in order to attend the Conference on Agribusiness Development for Human Welfare (ADHW) 2016.

Ladies and Gentlemen,

On behalf of the committee, I would like to say welcome to this International Conference on ADHW 2016 and thank you for attending our invitation.

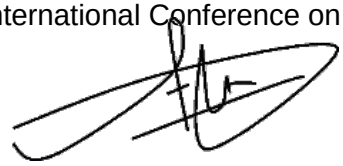
Especially, we are grateful to invited speakers, Prof. Zainal Abidin Mohamed and Asist. Prof. Pornthipa Ongkunaruk, for their willingness to share information and thoughts in this conference. As a bit report, that this conference has been attended by 85 speakers coming from five countries.

This conference entitled “Small and Medium-sized Enterprise Competitiveness”. ASEAN Economic Community is the largest economic integration that is going to be implemented at the beginning of 2016 (December 31, 2015). Through this integration, SMEs will have opportunity to expand access to markets, technology, and capital. But at the same time SMEs are required to improve their competitiveness in order to survive in the market. We expect that this seminar is capable of producing thoughts building SMEs within ASEAN, especially Indonesia, to face the free trade.

This event can be done by support and efforts from all sides. Therefore, I would like to say thank you to all committee members having worked hard to conduct this event. We, as the organizer commitee, do apologize when there is a shortage in conducting this event.

Wassalamualaikum, Warahmatullaahi., Wabarakaatuh.

Chairman
International Conference on ADHW 2016



Dr. Aris Slamet Widodo, SP., MSc.

WORDS OF WELCOME

Assalamu'alaikum warahmatullahi wabarakatuh

Alhamdulillah, all praise be to Allah SWT, who has given us His blessings so that this International Seminar of Agribusiness Development for Human Welfare (ADHW) 2016 entitled "Small and Medium-sized Enterprises Competitiveness" can be conducted. This International Conference is held in cooperation among Agribusiness Study Program of Muhammadiyah University of Yogyakarta with Putra University of Malaysia (UPM), Kasetsart University (KU), Association of Indonesian Agricultural Economy (PERHEPI), and Agribusiness Association of Indonesia (AAI), Universitas Gadjah Mada (UGM) and Universitas Brawijaya (UB).

Countries of ASEAN members like Indonesia, Malaysia, and Thailand have more than 90% Small and Medium-sized Enterprises (SMEs). In general, SMEs play important role in economic developments such as in terms of employment, added value, improve foreign exchange, and economic growth. For Indonesia, the role of SMEs is limited to employment and added value, while the foreign exchange from SMEs is still low. According to the General Director of SMEs of Industrial Ministry, in 2013 the total SMEs being able to pass through export market is just under 5 percent. For that required many breakthrough and innovation so that the role of SMEs becomes real economic development, especially in Indonesia, and generally in ASEAN countries.

On behalf of Agribusiness Department of Universitas Muhammadiyah Yogyakarta, we would like to express our gratitude Putra University of Malaysia (UPM), Kasetsart University (KU), Association of Indonesian Agricultural Economy (PERHEPI), Agribusiness Association of Indonesia (AAI), Universitas Gadjah Mada (UGM) and Universitas Brawijaya (UB) for all supports, sponsors, and all committee members having worked so hard that this International Conference can be conducted.

Hopefully, these sinergies coming from various parties can provide contribution for developing SMEs in Indonesia and other ASEAN countries as well.

Wassalamu'alaikum warhmatullahi wabarakatuh

Head of Agribusiness Department
Universitas Muhammadiyah Yogyakarta

Ir. Eni Istiyanti, MP.

Gubernur

Daerah Istimewa Yogyakarta

Sambutan
KONFERENSI INTERNASIONAL
"*AGRIBUSINESS DEVELOPMENT FOR HUMAN WELFARE*"
Yogyakarta, 14 Mei 2016

Assalamu'alaikum Wr. Wb.

Salam sejahtera untuk kita semua.

Yang Saya hormati :

- Rektor Universitas Muhammadiyah Yogyakarta;
- Para Narasumber;
- Hadirin dan Para Peserta yang berbahagia,

Puji dan syukur marilah kita panjatkan kehadirat Allah SWT karena hanya atas limpahan rahmat serta karunia-Nya, kita dapat hadir pada kesempatan acara **Konferensi Internasional "*Agribusiness Development For Human Welfare*"** ini dalam keadaan sehat wal'afiat.

Pada kesempatan kali ini, secara ringkas Saya akan menyampaikan mengenai industri kecil menengah nasional yang menjadi tema pada pembukaan Seminar Internasional "Agribusiness Development For Human Welfare" ini.

Hadirin dan Saudara-saudara sekalian yang Saya hormati,

Berdasarkan data BPS, pertumbuhan industri pengolahan nonmigas pada tahun 2015 secara kumulatif sebesar 5,04%; lebih tinggi dari pertumbuhan ekonomi (PDB) pada periode yang sama sebesar 4,79%. Pada periode Januari-Desember 2015, nilai ekspor produk industri pengolahan nonmigas mencapai USD 106,63 Milyar, dan nilai impor mencapai USD 108,95 milyar, sehingga neraca perdagangan insdustri pengolahan nonmigas pada periode yang sama sebesar USD 2,32 milyar (nerasa defisit).

Usaha pemerintah untuk memperkecil defisit di atas, salah satunya dengan cara memberdayakan Industri Kecil dan Menengah (IKM) yang merupakan bagian penting dalam perkembangan industri nasional. Sampai saat ini, Insutri Kecil dan Menengah

telah berkontribusi sebesar 34,82% terhadap pertumbuhan industri pengolahan nonmigas secara keseluruhan.

Angka ini dapat tercapai karena dukungan lebih kurang 3,6 juta unit usaha, yang merupakan 90 persen dari total unit usaha insutri nasional. Jumlah unit usaha tersebut telah mampu menyerap tenaga kerja sebesar 8,7 juta orang, yang tentunya berdampak pada meningkatnya ekonomi nasional serta mengurangi kemiskinan.

Industri Kecil dan Menengah (IKM) memiliki peran yang strategis dalam perekonomian nasional. Hal ini sejalan dengan Visi Pemerintah dalam Rencana Pembangunan Nasional Jangka Menengah (RPJMN) 2015-2019 yaitu *"Terwujudnya Indonesia yang berdaulat, mandiri, dan berkepribadian berlandaskan gotong royong".*

Untuk lebih meningkatkan peran tersebut, Penumbuhan dan Pengembangan Industri Kecil dan Menengah diarahkan untuk memiliki tujuan jangka menengah guna mewujudkan industri kecil dan industri menengah yang berdaya saing, berperan signifikan dalam penguatan struktur industri nasional, pengentasan kemiskinan dan perluasan kesempatan kerja, serta menghasilkan barang dan/atau jasa Industri untuk keperluan ekspor.

Hadirin dan Saudara-saudara sekalian,

Awal tahun ini, kita telah memasuki era Masyarakat Ekonomi ASEAN (MEA). Dengan demikan, perekonomian nasional akan langsung bersaing dengan para pelaku pasar di kawasan ASEAN. Produk dan jasa termasuk investasi negara-negara anggota telas bebas memasuki pasar di kawasan ASEAN.

Dalam rangka menghadapi hal tersebut, Pemerintah mengambil langkah-langkah strategis berupa peningkatan daya saing industri dan mendorong investasi di sektor industri; di mana peningkatan daya saing industri itu sendiri dilakukan melalui penguatan struktur industri dengan melengkapi struktur industri yang masih kosong serta menyiapkan strategi ofensif dan defensif dalam akses pasar.

Pemerintah telah melakukan Penguatan Sektor IKM dengan strategi ofensif dan defensifnya melalui beberapa program pelaksanaan, diantaranya antara lain: Penumbuhan Wirausaha Baru; Pengembangan IKM melalui Pengembangan Produk IKM serta Peningkatan Kemampuan Sentra dan UPT; Pemberian Bantuan Mesin dan Peralatan Produksi; Perluasan Akses Pasar melalui Promosi dan Pameran; Fasilitasi Pendaftaran Hak Kekayaan Intelektual; Fasilitasi Sertifikasi Mutu Produk dan Kemasan; serta Fasilitasi Pembiayaan melalui Skema Kredit Usaha Rakyat (KUR).

Saya berharap agar berbagai program-program pemerintah tersebut dapat didukung secara sinergis oleh seluruh komponen masyarakat. Untuk itu, Saya berpesan kepada Saudara-saudara sekalian agar semua program pemerintah dalam bidang

Industri, khususnya dalam program pemberdayaan Industri Kecil dan Menengah, didukung dengan sepenuh hati, agar dapat lebih bermanfaat bagi masyarakat dalam rangka pengembangan industri kecil menengah.

Hadirin dan Saudara-saudara sekalian yang Saya hormati,

Demikian beberapa hal yang dapat Saya sampaikan. Akhirnya dengan memohon ridho Allah Subhanahu Wata'ala, seraya mengucap "*Bismilahirrahmanirrahim*", **Konferensi Internasional "*Agribusiness Development For Human Welfare*"** dengan ini secara resmi Saya nyatakan dibuka. Semoga Allah SWT memberikan petunjuk, bimbingan, perlindungan dan kemudahan dalam setiap langkah dan upaya kita. Amien.

Sekian dan terima kasih.

Wassalamu'alaikum Wr. Wb.

Yogyakarta, 14 Mei 2016
GUBERNUR
DAERAH ISTIMEWA YOGYAKARTA

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EFFECTIVENESS OF WELFARE DEVELOPMENT SCHEME ON QUALITY OF LIFE TO RURAL POOR COMMUNITY IN MALAYSIA

Mohd Nizam Abdul Aziz[1], Fazlin Ali[1*], Zainal Abidin Mohamed[1] and Hanina Halimatusaadiah Hamsan[2]

1) Department of Agribusiness and Bioresources, Faculty of Agriculture, Universiti Putra Malaysia

2) Department of Social and Development Sciences, Faculty of Human Ecology, Universiti Putra Malaysia

*Corresponding author's e-mail: fazlin_ali@upm.edu.my

Abstract

Vision 2020 initiated by Malaysian former Prime Minister, Tun Mahathir Mohamed put a target for the country to achieved developed country status by the year 2020. One of the important elements towards achieving this vision is eradicating poverty level throughout the country's population. The government has put quite a tremendous amount of effort in this area with initiations of a number of programmes to help shift up the income level and quality of life of these target groups. One of such programme initiated by the government is the Community Wellbeing Development Scheme (SPKR) - the anti-poverty programme and citizen prosperity development scheme. The objective of this programme is to reduce poverty population to 0.5%, by increasing the share of middle-income group household and improve their quality of life. This effort focuses on empowering them through enhancement of education, skills, business and physical facilities. The research aims to investigate the effectiveness of SPKR programme towards the poor community particularly at the rural area who involved directly with the programme on their satisfaction and quality of life. The study looks at the relationships between socio-economic and demographic factors of the programme participants and the changes of their quality of life, identify the factors that influence the effectiveness of SPKR programme on the changes of participant's quality of life, and impact of the programme on enhancing the participant's quality of life. Data was collected through questionnaire survey in five states in Peninsular Malaysia which reported having the higher poverty populations. The findings indicate that more than three-quarter of the respondents strongly agreed that their quality of life is getting better and was satisfied with the level of income increment after the SPKR programmed. It was also found that there was a significant relationship between the social-demographic factors and monthly household income which include state of origin, marital status, education level, gender and age.

Keywords: antipoverty programme, poverty alleviation, quality of life

INTRODUCTION

Malaysia is currently committed to achieve a developed country status by the year 2020. One of the major concern in achieving this is to increase the income level of the citizens and improve poverty level in general. For that reason, it has established its own poverty line in the 1970s based on the World Bank standard for the Poverty Line Income (PLI) which derived from Household Income Survey (HIS).

According to the 10th Malaysia Plan (10MP) and the New Economic Model (NEM); the Poverty Income Level (PLI) is defined *as income that is necessary to buy a group of foods that would meet the nutritional needs of the members of a household. The income is also to meet other basic necessities such as clothing, rent, fuel and utilities, transport and communications, medical expenses, education, and recreation.*

Poverty eradication initiative was not only aimed to increase income but also to

ensure that the poor has adequate access to basic needs such as nutrition, housing, education, and transportation. The initiatives taken focus mainly on the unemployed, underemployed, and those engaged in agricultural industry and services activities which have a low level of productivity as poverty is often associated with this group (Surtahman K.H. & Ishak. Y, 2009).

Today, Malaysians from all profession, irrespective of ethnicity, socio-economic background, and geographic location, have a better quality of life. All these achievements were made feasible by Malaysia's development philosophy, which sets the success and welfare of the citizen at the core of economic expansion. This dedication can be noticed in each succeeding development policy.

The New Economic Policy, 1971-1990, concentrated on poverty eradication regardless of ethnicity and eliminating the identification of ethnicity by economic role. The National Development Policy, 1991-2000, dedicated on guaranteeing the fair development of major sectors of the economy and states, as well as decreasing socio-economic imbalances across communities. The National Vision Policy, 2001-2010, directed on developing a strong and competitive country. The National Transformation Policy, 2011-2020, continues the people-centric aim through the New Economic Model, which sets the aim of becoming a high-income economy that is both inclusive and sustainable. The aspiration is nothing less than a better quality of life for all Malaysians.

A report in 2014 that compares the poverty level between the rural and urban area in Malaysia shows that poverty incidence in the rural area was 1.6% and 0.3% in the urban area, an improvement compared to report in 1970 which showed 58.7% in urban and 21.3 in the rural area. (Refer to Table 1).

Table 1. Incidence of Poverty in Malaysia by Strata, 1997 - 2014

Year	1MP	5MP	7MP	8MP	9MP	10MP	10MP
	1970	1980	1999	2003	2009	2012	2014
Overall	49.3	37.4	8.5	7.5	3.8	1.7	0.6
Urban	58.7	45.8	14.8	12.4	1.7	3.4	0.3
Rural	21.3	17.5	13.3	3.4	8.4	1.0	1.6

Source: Economic Planning Unit (EPU), Prime Minister Department Malaysia.

Malaysia economics and development policies have put significant emphases on poverty reduction by initiating various programmes such as the development programme for the Poorest Community Housing Programme (PPRT) which ended in 2000 and succeeded by Community Wellbeing Development Scheme (SPKR) in 2003. This programme covers the aspects of economic, social and physical towards eradicating poverty in areas and groups with a high incidence of poverty.

The SPKR programme goals are to increase and improve the welfare of those who have registered in SPKR system through eradicating poverty, increase the community household income, and improves the community's standard of living and their quality of life.

The objectives of this programme are to empower people through education, skills, business and physical facilities and their efforts which strategically projected through nine specific programmes which cover programme on business involvement, skills activities, academic, investment, housing, community development, child care, and healthy food supply to the poverty community.

This study plans to investigate the effectiveness of SPKR programme on the poor community particularly in rural area, towards their satisfaction and quality of life of those who have undergone the SPKR programme. The main hypothesis of this study is to identify the significant difference between socio-economics and

demographic factors and monthly income after attending SPKR.

In support of the main objective, some other objectives also guided this study. There are: a) to investigate the relationship between socioeconomics and demographics factors of SPKR participants in changes of their quality of life, b) to identify the factors that influence the effectiveness of SPKR programme on the changes of participants' quality of life, c) to analyze the impact of SPKR programme in influencing the participants to enhance their quality of life.

Economic Planning Unit [EPU] (2004) have defines *quality of life as encompassing personal advances, a healthy lifestyle, access and freedom to pursue knowledge, and attaining a standard of living which surpasses the fulfillment of the basic and psychological needs of individuals, to achieve a level of social well-being compatible with the national aspirations.*

The QoL concept refers to transforms by the whole society and social system from unsatisfactory towards an improved state of life. The QoL not only concerning economic development but also other attributes such as social, psychological, cultural, political and environment. These prove that all the attributes are conclude in the SPKR programme for the poor community. At a glance, via Malaysian Quality of Life Index (MQLI), the government expects to evaluate the effectiveness of policy and socio-economy development programme towards Malaysian QoL.

Overall, the quality of life in Malaysia has improved during the 2000-2010 phase, where the Malaysian Quality of Life Index (MQLI) has increased by 11.9 points. All the 11 components in the MQLI documented an improvement, as shown in Figure 1. A total of 45 indicators were chosen to signify the 11 components. The indicators chosen for each component was based on their importance, how best they mirror the particular component and the readiness of data on a time series basis. The education component recorded the highest sub-index increase of 20.4 points, followed by transport and communications, and housing (Economic Planning Unit, 2011).

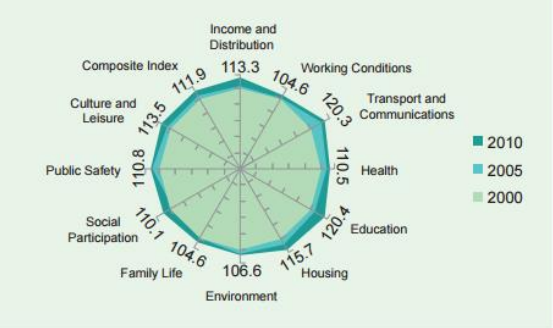

Figure 1 : Comparison of MQLI by Components, 2000, 2005 and 2010

METHOD

Conceptual Framework

This research conceptual framework in Figure 2 shows the whole idea of eradicating poverty through the programme initiated by the government. There are four approaches of the framework which are time, economic, culture and political.

Time approach is related of the time circulation from year to year. This is related closely to the economic approach which implicates jobs, salary, cost of living, local economic growth and world economy. Culture approach is concerning to the belief and nature life of the community. The political approach is connected to the government roles where the law, rules and leadership of the country play the front-line role to decide and draught the suitable formula of laws to eradicate poverty.

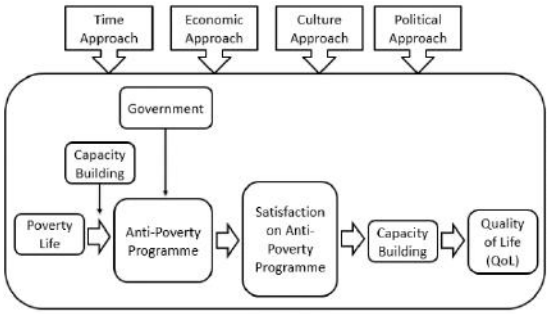

Figure 2. The Modified conceptual framework of poverty eradication through an anti-poverty programme to the poor community.

Chi-square test is performed to identify the statistical relationship and test significant relationship between respondents' demographic factors and their generated income pre and post participation in the SPKR programme

In order to reduce the set of variables to become a set of factors where factor analysis is used to identify the factors that affecting rural poverty community's satisfaction towards SPKR programme and the implementing agency of the programme, the study conducted a measure of communality.

Furthermore, the probability of factors that might be able to increase the successful of SPKR programme in eradicating poverty is also tested using Logistic Regression Model (Logit Model). It tested the independent variables that might influence the programme effectiveness, participants' socio-demographic and factors of participants' satisfaction towards the programme.

Reliability and validity

Reliability analysis was carried out using Cronbach's coefficient α with a value greater than 0.60 will mean that there is a consistency of the theory and factor analysis on factors that influenced the respondents' QoL. This research uses exploratory factor analysis to uncover the underlying factors that could influence the SPKR participants on their satisfaction towards QoL after they attended the programme.

Questionnaire development

The study was conducted based on structured questionnaires with open and close-ended questions which focus on socio-demographic factors of QoL among the rural poor community in Peninsular Malaysia. The questionnaire developed for this study was divided into main three main parts which consist of; 1) respondent profile, 2) respondent's capability building, prosperity, and General Prosperity Scale, 3) quality of life before and after the respondents attend the programme. A five-point Likert scale was used for respondents to express their agreement or disagreement towards the questionnaires given.

The sample frame of this study was selected from SPKR participants' lists obtained from Ministry of Rural Development and Regional Malaysia (KKLW). As this research was conducted in Peninsular Malaysia, a typical size for national studies should range approximately from 1000 to 1500, therefore, the sample research size taken is 1122 in order to achieve the objectives of the study.

The descriptive analysis shows the frequencies of each demographic and socio-economic category affected the variables in the research such as respondent's age group, the percentage of their income generating activities, number of households, poverty status of the SPKR programme and respondent's satisfaction with SPKR programme.

There are five hypotheses tested in this study in order to measure the relationship between socio-economic and demographic factors and the monthly income after attending SPKR.

H_0: There is no relationship between the state of origin and the monthly income (quality of life changes) after attending SPKR.

H_0: There is no relationship between marital status and the monthly income (quality of life changes) after attending SPKR.

H_0: There is no relationship between educational background and the monthly income (quality of life changes) after attending SPKR.

H_0: There is no relationship between gender and the monthly income (quality of life changes) after attending SPKR.

H_0: There is no relationship between age and the monthly income (quality of life changes) after attending SPKR.

RESULT AND DISCUSSION

Socio-demographic profiles

As indicate in Table 2, the respondents chosen for this research were from multi-area of generating income activities, marital status,

education, age and gender from five different states.

The five states were divided into two different regions mainly Northern Region comprises of Perlis, Kedah and Perak, and Eastern Region with Kelantan and Terengganu. Those states were chosen based on the low percentage of development and high level of poverty community as compared to other states in Malaysia. Northern Region has more representative in the study as compared to Eastern Region with Perlis has 44 respondents (4%), Kedah has 359 respondents (32%), Perak has 369 respondents (32.9%), Terengganu has 200 respondents (17.83%) and Kelantan has 150 respondents (13.3%) respectively from 1122 total number of respondents.

The majority of the respondents which is a total of 67.8% comes from respondents with age group from 36 – 45 (33.5%) and 46 – 55 years (34.3%). 85.3% of the respondent is married

More than three-quarter of the respondents (85.3%) is married and only 1.3% is single. 53.2% of the respondents has only primary education whereas only 1.7% of the respondents have ever attended higher education.

Respondents who have 4-6 peoples in their household contribute to 46.7%, have 1-3 peoples in their household contribute to 3.2%. These two groups comprise a total of 76.9% from the total respondents.

The majority of the respondents' main generating income were in agribusiness and agriculture sectors which contribute to 35.3%, whereas an alarming 16.6% is unemployed.

1066 or 95% of the respondents participate in PPMS programme and only 3 respondents participate in PPMI programme.

Besides that, there were three main groups identifies in household income for this research which are hardcore poverty (39.8%), poverty group (37.8%) and poverty prone (22.4%) from the research respondents.

Table 2: Demographic profile of respondents

Variables	Number	Percentage
Origin/ Residence Area		
Perlis	44	40
Kedah	359	32
Perak	369	32.9
Kelantan	150	13.4
Terengganu	200	17.8
Age Group (years old)		
Below 25	26	1.3
26 – 35	112	10
36 – 45	376	33.5
46 – 55	385	34.3
Above 56	223	19.9
Marital Status		
Single	15	1.3
Married	957	85.3
Widowed	120	10.7
Divorced	30	2.7
Education Level		
Tertiary	19	1.7
Secondary	298	26.6
Primary	596	53.2
Non-Schooling	209	18.5
Number of Household		
1 – 3	339	30.2
4 – 6	524	46.7
7 – 9	238	21.2
10 and above	21	1.9
Main Generating Activities		
Agribusiness/ Agriculture	396	35.3
Fulltime Servant	18	1.5
Factory/ Labour	141	12.6
Retail Business	106	9.5
Not Working	186	16.6
Others	275	24.5
Programme Attended		
Local Community Development Programme (PPMS)	1066	95
Skill and Career Programme (PLKK)	10	0.9
Income Increment Programme (PPP)	43	3.8
Capacity Building Programme (PPMI)	3	0.3
Household Income		
RM430 and less (Hardcore Poverty)	447	39.8
RM401 – Rm720 (Poverty)	424	37.8
RM721 and above (Poverty Prone)	251	22.4

Satisfaction towards Quality of Life (QoL) changes

Table 3 explained the respondents' satisfaction towards their Quality of Life (QoL) changes where more than 90% of the respondents agree and strongly agree that by participating SPKR programme, they have a betterment in quality of life, improvement of their house condition, having a better family life, have increased in their level of education, they being more proactive in improving their living standards and believing that SPKR has successfully achieved its objective to improve individual and family quality of life by working diligently.

In addition to that, more than 80% of the respondents also agree and strongly agree that SPKR have positively increase their family health level, increase in their personal and children academic's achievement, enabling them to participate more in spiritual classes, have ability to provide education's equipment for their children, have the ability to save fund for hajj, making them more capable and knowledgeable on current affairs which will encourage them to have higher self-confidence and trust that it's an effective procedure to remove them from poverty situation.

Additionally, more than 70% of the respondents feels that by participating in SPKR programme, their average monthly income can increase and there is more availability of employment opportunity for them to increase their revenue without assistant from SPKR. However, only 51.1% of the respondents feels that their health level has increased when they participate in SPKR programme.

Table 3: Respondents' Satisfaction towards their Quality of Life (QoL) Changes

No	Statements	Percentages					Mean	S.D
		1	2	3	4	5		
1	Betterment in quality of life after participate SSPKR programme	0.0	0.0	3.6	9.4	87.4	3.16	0.457
2	Monthly average income can be increased	2.0	12.7	15.1	58.7	11.4	3.65	0.914
3	The level of family's health can be increased	0.6	3.9	11.3	74.6	9.5	3.89	0.639
4	Able to increase children/ personal academic achievement	1.4	4.0	11.1	71.4	12.1	3.89	0.713
5	Always participate spiritual classes	2.8	8.6	8.0	63.5	17.1	3.84	0.905
6	Able to provide education's equipment to children	1.1	5.1	11.4	64.4	17.0	3.92	0.763
7	Saving fund is necessary to perform the hajj as the fifth pillar of Islam	0.4	6.5	4.3	48.9	39.9	4.22	0.830
8	More capable of improving knowledge of current affairs	0.7	1.8	12.1	66.0	19.4	4.02	0.672
9	House condition improved	0.0	0.4	3.5	45.7	48.8	4.45	0.588
10	Family life getting better	0.2	0.4	3.3	50.6	44.6	4.40	0.597
11	Level of health increased	0.8	3.0	45.1	50.0	98.9	4.46	0.599
12	Level of academic increased	0.3	1.0	5.7	45.9	46.1	4.38	0.666
13	SPKR can change one's life if the individual is working diligently	0.1	0.6	4.9	58.5	35.2	4.29	0.594
14	Participants more proactive in improving their living standards	0.1	2.7	5.0	68.8	22.6	4.12	0.616
15	Have a high self-confidence to do something for families beneficial after participate the programme	0.1	2.0	7.4	65.3	23.4	4.12	0.626
16	The SPKR programme objective is to improve individual and family' quality of life	0.0	1.0	5.4	70	22.5	4.15	0.547
17	Available employment opportunities help participants increase their revenues without depending on the SPKR even after the programme end	2.9	12.8	11.1	61.4	10.6	3.65	0.939
18	An effective procedure to remove participants from the shackles of poverty	0.4	2.1	7.9	64.7	24.8	4.11	0.664

1=Strongly disagree; 2=Disagree; 3=Neutral; 4=Agree; 5=Strongly Agree

Chi-Square Analysis

Chi-square analysis was done to test the relationship between socio-economic and demographic factors and monthly income of the SPKR programme participants' satisfaction towards their QoL. The results in Table 4 indicate that variables such as the state of origin, marital status, education background, gender, and age have a significant role towards monthly income.

It shows that there is a significant relationship between a state of origin and monthly income as states close to related to agriculture and locality generating activities which the people able to gain monthly income. The influence of marriage is related towards parents' responsibilities shows the significant relationship between marital status and monthly income. Both gender and age have a significant relationship with monthly income where it shows individual responsibilities towards their family to give a better QoL.

Table 4. Relationship test between socio-demographic factors and monthly household income

Variables	Chi-square	df	Significant Level	Decision
State of Origin	30.981	8	0.000***	Reject H_o
Marital Status	23.564	6	0.000***	Reject H_o
Education	41.302	4	0.001***	Reject H_o
Gender	41.252	2	0.000***	Reject H_o
Age	19.718	8	0.001***	Reject H_o

*significant at level 0.1
**significant at level 0.05
***significant at level 0.01

Factor Analysis

In this research, factor analysis is used to determine and identify the factors of the respondents that contribute to the respondents' satisfaction towards QoL after joining SPKR programme. There are two statistical measures that help assess the factorability of the data.

The Bartlett's test and KMO index indicate that we can summarize the information provided by the initial variables in a few number of factors. Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy shows whether the sampling is "marvelous", "meritorious", "middling", "mediocre" or "unacceptable".

Table 5 shows that the KMO test was 0.868 which indicated a degree of the common variance among the eighteen variables is "meritorious" bordering "marvelous" on the respondents' satisfaction towards QoL and Bartlett's test of Sphericity result reveals Chi-square (10460.165), differences (df 153) and the statistical significance of 0.000.

The findings indicate that the sample is intercorrelation matrix did not come from a population in which the intercorrelation matrix is an identity matrix.

Table 5. KMO measurement and Bartlett's test on Respondents' Satisfactions towards Quality of Life (QoL)

Kaiser-Meyer-Olken Measure of Sampling Adequacy		0.868
Bartlett's Test of Sphericity	Approx. Chi-Square	10460.165
	df	153
	Significance	0.000

The percentage of variance is measured by communality. The extracted communalities should be more than 0.50 to avoid from being excluded from the analysis. In this research, all the eighteen communalities of the respondents' satisfaction towards the QoL were captured in Table 6.

Table 6: Communalities of respondents' satisfaction towards Quality of Life (QoL)

No	Variables	Extraction
1	SPKR: infrastructure satisfy me	0.780
2	SPKR: communication factors satisfied me	0.785
3	SPKR: home environment satisfied me	0.658
4	SPKR: residence area satisfied me	0.674
5	SPKR: family life satisfied me	0.513
6	SPKR: aware me to education service provided	0.625
7	SPKR: aware me to the importance of residence environment	0.681
8	SPKR: aware me to the importance of family life	0.632
9	SPKR: aware me to the importance of community participation	0.670
10	SPKR: aware me to the importance of security of life	0.640
11	SPKR: aware the importance of leisure moment with family	0.629
12	SPKR: aware me to the importance of health	0.661
13	SPKR: aware me to the importance of education	0.687
14	SPKR: Implementing agency always gives a visit	0.558
15	SPKR: Implementing agency officers concern towards QoL participants	0.684
16	SPKR: Implementing agency officer frequently monitor participants	0.756
17	SPKR: Implementing agency officer used suitable method while giving information	0.690
18	SPKR: Implementing agency officer's presentation easy to understand	0.708

Based on Kaiser's Criterion or Eigenvalue, Table 7 show four main latent factors identified and extracted from the variables. These four latent factors are the level of importance, implement agency, living and residency, and communication application which account for 66.84% of the accumulated % of the variance. In other words, 66.84% of the common variance shared by the eighteen variable can be accounted for by the four factors ranges from 0.785 for Communication Application to a low 0.513 for Level of Importance. This is reflective of the KMO of 0.868, a "meritorious" to "marvelous" % of the variance. Moreover, factor patterns are fairly clear for all the four factors.

In level of importance, there are eight sub-variables which contribute to a total variance of 28.945% that relates to participants being aware and encouraged by the programme towards the importance of capacity building such as gaining good income, good working environment, efficient infrastructure, good health service, life security, education and the living environment.

Implement agency was the second factor of the analysis with a total variance of 18.878% consist of five sub-variances which shows the connection between participants and implement agency where they need each other to enhance QoL.

The third latent factor of living and residency with a variance of 10.271% which consists of three sub-variables. This factor is important for the participants to feel secure in their life and confidence to give a better living to their household that will enhance their QoL.

Communication application is the forth latent factor of the analysis which has a variance of 8.737% and consists of two sub-variables which relate to participants' satisfaction towards communication and infrastructure efficiency.

Table 7: Exploratory factor analysis: Factors that influence participants towards Quality of Life (QoL)

Factor/ Factor Loading	1	2	3	4
LEVEL OF IMPORTANCE				
Individual education level	0.826			
Individual health	0.812			
Living residence	0.811			
Community participation	0.808			
Life security	0.794			
Leisure time with family	0.792			
Family life	0.788			
Education service	0.787			
Variance explained	**28.945**			
IMPLEMENT AGENCY				
Participant's performance monitored by officer frequently		0.859		
Officers presentation easy to understand		0.830		
Officer used suitable method while giving information		0.819		
Officer's always concern towards participants' QoL		0.818		
The agency always visit participants		0.737		
Variance explained		**18.878**		
LIVING AND RESIDENCY				
Satisfied towards living residence			0.800	
Satisfied towards home environment			0.797	
Satisfied toward family life			0.657	
Variance explained			**10.271**	
COMMUNICATION APPLICATION				
Satisfied towards communication link				0.870
Satisfied towards infrastructure link				0.864
Variance explained				**8.737**

Reliability Test

The internal reliability analysis on factors that influences the respondents QoL is shown in Table 8. The Cronbach α for the eighteen items in this research was found to be 0.90, which indicated a good internal consistency.

The eighteen variables were reduced to four factors and account for 66.84% of the covariance among the variables. Factor 1 appears to measure the level of Level of Importance, Factor 2 evaluate the Implement Agency, Factor 3 assess Living and Residency; and Factor 4 review on Communication Application.

Table 8. Internal reliability analysis on factors that influenced the respondents' Quality of Life (QoL)

Factor	Cronbach's Alpha score	Number of Item
Level of Importance (Factor 1)	0.922	8
Implement Agency (Factor 2)	0.870	5
Living and Residency (Factor 3)	0.668	3
Communication Application (Factor 4)	0.729	2

Logistic Regression Analysis

Table 9 shows the result of logit model on the relationship between socio-demographic factors and respondent's satisfaction towards SPKR programme. From the table, there are two variables significantly related to the dependent variable for this analysis.

Hosmer-Lemeshow Goodness Test-of-Fit is based on dividing the sample

up according to their predicted probabilities. The p-value for the chi-square was 0.410 with 8 degrees of freedom indicate the model is fit for this research and analysis shows that SPKR programme has proven to be effective to the participants in enhancing their QoL.

The factors that more likely to have a positive influence on SPKR programme are implement agency with 1.222, living and residency with 1.413, and communication application factor of 1.264. The only socio-demographic variable that is significant is education background where PMR/SRP certificate holder is 1.089 more likely to be influenced by the SPKR in enhancing their QoL.

Table 9: Relationship between socio-demographic factors and respondents' towards SPKR programme

Variable	B	S.E	Wald	Sig.	Exp (B)	Lower	Upper
Level of Importance (Factor 1)	-0.118	0.87	1.836	0.270	1.290	0.821	2.027
Implement Agency (Factor 2)	0.200	0.087	5.301	0.021***	1.222	1.030	1.449
Living & Residency (Factor 3)	0.346	0.083	17.389	0.000***	1.413	1.201	1.663
Communication Application (Factor 4)	0.234	0.087	7.273	0.007***	1.264	1.066	1.498
Gender (Female=0, Male=1)	0.254	0.231	1.217	0.270	1.290	0.821	2.027
Age (Below 25=0, Above 25=1)	0.545	0.514	1.122	0.289	1.724	0.629	4.723
Marital status (Unmarried=0, Married=1)	-0.23	0.30	0.006	0.940	0.978	0.542	1.764
Education background (Below PMR/SRP=0, Above PMR/SRP=1)	0.085	0.042	4.040	0.044**	1.089	1.002	1.183
Constant	0.335	0.684	0.240	0.624	1.398		

CONCLUSION

The total of respondents in this research was 1500 while 378 respondents were eliminated from the research according to missing data. The majority of the respondents have only secondary and lower education background with 98.3% or 1103 respondents. Almost half of the respondents (524 respondents or 46.7%) have 4 – 6 number of household. A quarter of the respondents involved in agribusiness and agriculture sectors with 396 respondents or 35.3% in this research.

The findings show that there are five significant relationships with monthly household income which are state of origin, marital status, education level, gender, and age. Meanwhile, factor analysis examines latent factors shows that level of importance has the highest variance as compared to the other three factors followed by implement agency, living, and residency, and communication application and all these factors have a significant relationship with the SPKR programme. It indicates that the programme effectively influences and change the participants and the poor community in their quality of life, especially at rural area.

Research on poverty should be constantly studied as it enables to present the current stage of the poverty level in order for Malaysia to effectively eradicate poverty by the year 2020. Furthermore, the study would allow comparison of the performance of implementing agency, poverty status and achievement.

Additionally, research regarding the confidence level should be the focus in the future research in order to prove if

there is a significant relationship between confidence level and income level as most of the confidence person are among people with higher income level.

The research was done using a complicated questionnaire that resulting in numbers of missing data as it tries to capture as many information as possible from the respondents which create difficulty to respondents to answer all the questionnaires. As a solution, the future questionnaire should also be more simple and transparent.

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DISCUSSION FROM PARALLEL SESSION

PAPER TITLE	Effectiveness of Welfare Development Scheme on Quality of Life to Rural Poor Community in Malaysia
AUTHOR	Mohd Nizam Abdul Aziz, Fazlin Ali, Zainalabidin Mohamed, Hanina Halimatusaadiah Hamsan
DISCUSSION	
QUESTION	- What is the the standart to measure the poverty? What is the education? - What is the most ethnic are poor? - What is the program of SPKR? Giving money or job?
ANSWER	- Primary school - The most poor is Malay - There are any 9 program : housing, education, health, income community development, basic skill, etc
SUGGESTION	

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for Human Welfare

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SECRETARIAT OFFICE
F3 Ground Floor, Agribusiness Department,
Universitas Muhammadiyah Yogyakarta
Jalan Lingkar Selatan Tamantirto,
Bantul. D.I.Yogyakarta 55183
Phone +62274 387656 (Ext 201)
Fax +62274 387646

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