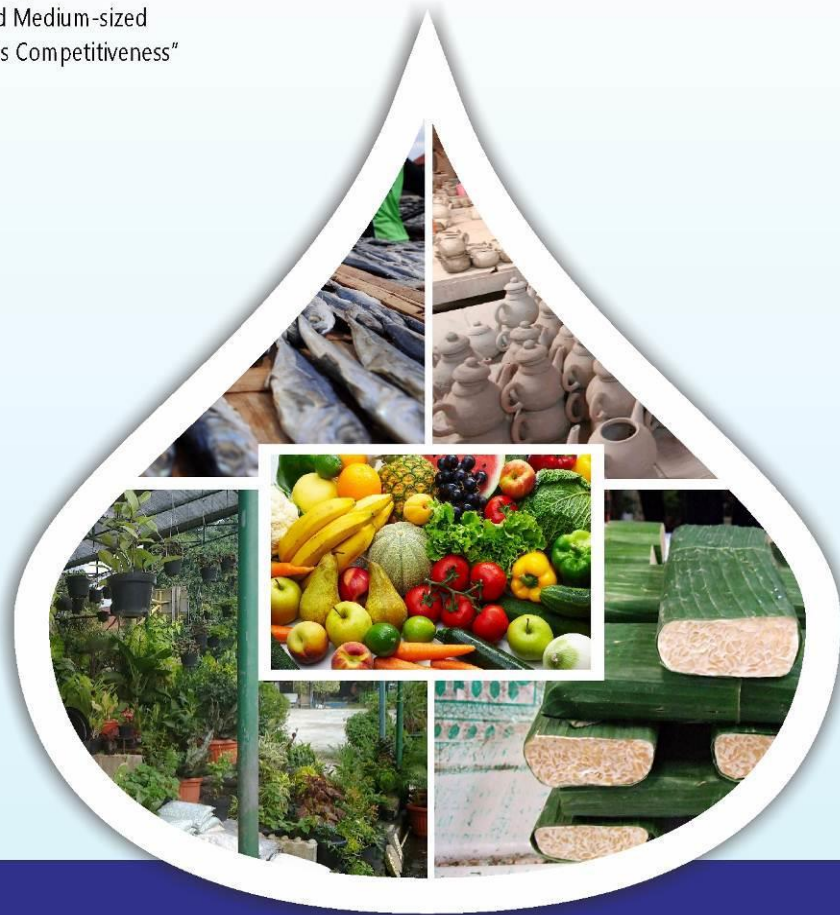




2016

"Small and Medium-sized
Enterprises Competitiveness"

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Agribusiness Development for Human Welfare



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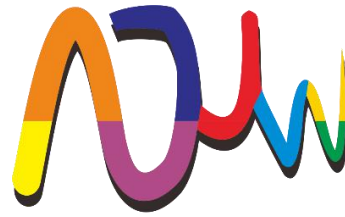
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DEVELOPMENT FOR
HUMAN WELFARE

*“Small and Medium-sized
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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.

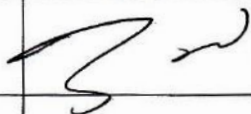
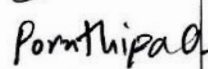

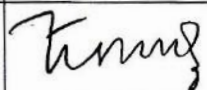
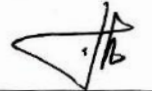
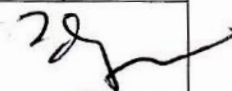
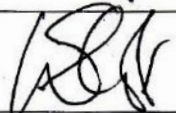
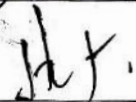
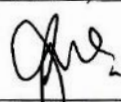

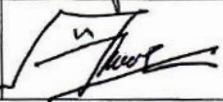
May 30, 2016

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11	Ir. M. Kismuntono	LIPI	

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.

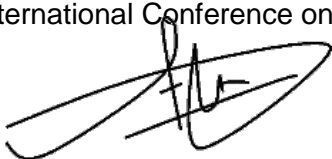
Especially, we are grateful to invited speakers, Prof. Zainal Abidin Mohamed and Asist. Prof. Pornthipa Ongkunaruk, for their willingness to share information and thoughts in this conference. As a bit report, that this conference has been attended by 85 speakers coming from five countries.

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

Wassalamu'alaikum warahmatullahi 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 industri pengolahan nonmigas pada periode yang sama sebesar USD 2,32 milyar (neraca 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, Industri 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 demikian, 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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MICRO ENTREPRENEURS' INTENTION TO BECOME MEMBER OF MICROCREDIT SCHEME WITH EDUCATIONAL TRAINING AND MOTIVATIONAL PROGRAM

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ABSTRACT

In Malaysia, there are enterprises with smaller size called micro-enterprises. The entrepreneurs of these enterprises seek opportunities to obtain operating and management cost to uplift their business to small and medium-sized enterprises. In order to support micro-enterprises financially, there are various loans available for micro enterprises entrepreneurs (MEs) in Malaysia. In addition to the fund, some of the financial institutions also provide technical, financial and management training and guidance in order to develop the entrepreneurial skills as well as the businesses. A series of field surveys was conducted using stratified random sampling in selecting two hundred micro enterprises entrepreneurs in 2015 using structured questionnaire for gathering needed information in Kuala Selangor, Hulu Langat, and Gombak in Selangor. The survey consisted of entrepreneurs who take loans from financial institutions that do not provide educational training and motivational programs (ETMP) and those who do not take loans. In order to clarify the characteristics of entrepreneurs having the intention to become members of microcredit scheme with ETMP in future, two methods of analysis were applied. They are descriptive analysis and binary logistic regression analysis. The results show that 87 (43.5 %) micro-entrepreneurs have the intention of becoming members of microcredit scheme with ETMP. The binary logistic regression indicated that women involvement in business, on time repayment and educational background of the respondents are important determinant of intention to join ETMP.

Keywords: microcredit, educational, motivational, entrepreneur, intention

INTRODUCTION

For several decades, Malaysia has been facing issues of poverty and inequality existing among ethnicity and urban-rural residences. The Government has played the leading role in poverty eradication by providing income-generating projects, amenities to improve the quality of life and implementing programs to inculcate positive values among the poor. The government started launching the New Economic Policy (NEP) in 1970 for poverty eradication and economic development. Government effort is still ongoing to reduce income inequalities and narrowing the urban-rural income disparity, through series of policies which is currently implemented in the 11th Malaysian Plan. The Government

programs are also being supported by NGOs and private sectors, which provide wider opportunities to the poor to improve their livelihood. Various state-based poverty eradication foundations intensified their efforts in providing skills, training as well as in-kind and financial contributions to the poor. Poverty ratio has declined in each state and overall improved up to 0.6% in Malaysia (EPU, 2015).

Eleventh Malaysia plan attempts to empower communities for a productive and prosperous society. In the 11th Malaysia plan, emphasis was also given to 40% of households who are categorized as lower income groups and are to be uplifted to middle-class groups.

Thus, it will accelerate regional growth for better geographic balance, transforming

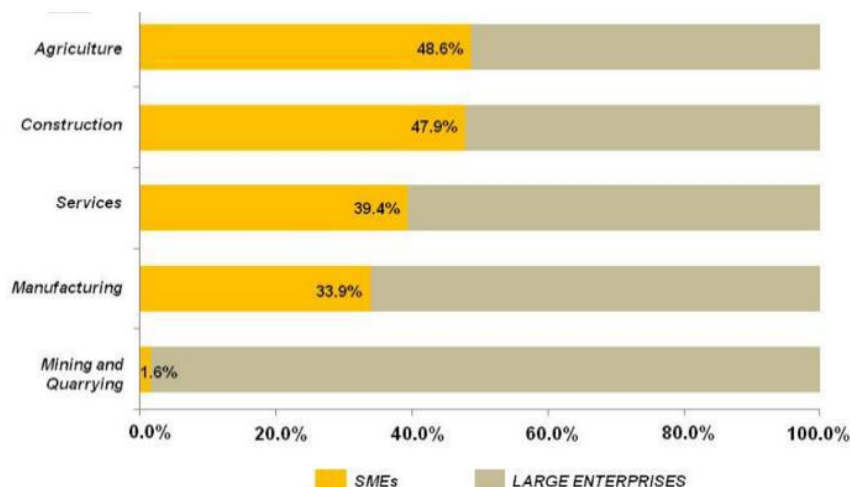


Figure 1. Contribution of SMEs to GDP at Constant 2010 Prices for the Year 2014
Source: SMEs corp Malaysia, 2016

rural areas to uplift the well-being of rural communities, and enhancing Bumiputera economic community opportunities to increase wealth ownership. In the struggle for this attainment, entrepreneurship in small and medium enterprises (SMEs) was introduced to be a keyword in obtaining business opportunities. In the year 2014, value added of SMEs contributed 35.9 per cent to GDP at constant 2010 prices and 35.8 per cent at current prices (Department of Statistics, 2015). This has portrayed the importance of SMEs industry in supporting and upholding the momentum of the Malaysia's economy. Figure 1 shows the contribution of SMEs to the sector's total value added. The agricultural sector posted the highest SMEs contribution with a share of 48.6 per cent. The SMEs in this sector was supported by rubber, oil palm, livestock and other agricultural sub-sectors especially in food crops such as vegetables and fruits.

In order to improve household income level and create equity sustainable society, entrepreneurship has an important role to play in the Malaysian economy. Small and medium enterprises (SMEs) have started making great impacts on the economy as contributions

to GDP among SMEs companies increased from 32.2 % in 2010 to 35.9 % in 2014 (SME Corp Malaysia, 2014). For further development of the SMEs sector, a total of RM500 million has been allocated in 2015 for reactivation of SMEs business and alleviating short-term cash flow problem under microcredit scheme in Malaysia. Along with SMEs, the growth of the smaller size enterprises called micro-enterprise was emphasized to boost the Malaysian economy by turning them into SEMs (SMEs corp Malaysia, 2016). In Malaysia, microcredit schemes mostly contribute the initial investment and operation fund among micro-enterprises. There are several types of loans available for local enterprises in Malaysia such as Merakyatkan Ekonomi Selangor (MES), Yayasan Usaha Maju Sabah (YUM), Yayasan Bina Upaya Darul Ridzuan (YBUDR), Unit Pembangunan Usahawan Negeri Kedah (UPUK), SME Bank, TEKUN, Agro Bank, Amanah Ikhtiar Malaysia (AIM).

The eleventh Malaysia Plan is also addressed towards enhancing local Malaysians in economic participation and increasing entrepreneurs to boost the economy growth as it continued to assist in terms of financing, support services, and capacity building. Thus over RM9

billion in financial assistance was provided to more than 414,000 local Malaysian businesses. Furthermore, loans of RM8.6 billion have benefited 413,278 micro and small businesses. As one of the microcredit schemes providing training and motivational programs, AIM needs to be paid attention. It is reported in 11th Malaysia plan that the number of AIM member who earn a monthly income of more than RM3,500 have increased from 27,770 in 2010 to 128,450 in 2014. AIM was the first microfinance institution in Malaysia and the largest Grameen Bank replication outside Bangladesh. It was developed in 1988, under the Trustee Incorporation Act 258 (revised 1981) (Chamhuri & Quinones, 2000). AIM is a poverty-oriented microfinance institution that provides loans only to the poor. Selangor in Peninsular Malaysia was the site of the pilot project of the Grameen Bank concept, known as "Project Ikhtiar" with a pilot project for two and a half years, involving 373 poorest households who received their first welfare loan. The Huge success demonstrated by female members has given confidence to the founding committee to proceed with the project development initiative to the states that have high poverty rates. The attendance rate at meeting center and monthly revenue visualized the significant difference between male and female participants. AIM started appointing women as representatives to participate in the initiative at the weekly meeting. In addition to the weekly meeting among microcredit scheme members for timely repayment system, currently, there are various skills upgrading opportunities available in the scheme such as entrepreneurial training, skills acquisition training, and consultancy.

Since the government policy is channeled towards increasing the number of skilled entrepreneurs among local entrepreneurs, the microcredit scheme has not only been taking on a large role in creating opportunities for micro-enterprises to grow but also educating, motivating and upgrading management and entrepreneurial skills. Therefore, the research tends to identify the micro

entrepreneurs interested in joining the microcredit scheme with ETMP to upgrade their business skills and have more interaction with members of the microcredit scheme for their business development. Identifying those entrepreneurs, who seek opportunity not only to obtain loans but also to join ETMP is important to increase skilled entrepreneurs and develop micro-enterprises in Malaysia. This study attempts to understand those that will be potential loan borrowers and members of microcredit scheme who value the facilitating programs to develop their business.

METHOD

A series of field surveys were conducted using stratified random sampling in selecting micro enterprises in 2015. Face to face interviews was carried out using structured questionnaire for gathering needed information among selected micro enterprises Kuala Selangor, Hulu Langat, and Gombak in Selangor. Two hundred (200) entrepreneurs were interviewed, those who take loans from banks, financial organization and types of microcredit schemes that do not provide ETMP. In order to clarify the characteristics of entrepreneurs having the intention to become members of microcredit scheme with training and programs in future, descriptive and binary logistic regression analysis were applied.

Descriptive analysis characterizes the demographic profile of entrepreneurs interviewed. Binary logistic regression was applied to reveal the determinants of entrepreneurs' intention in becoming members of microcredit scheme with ETMP. Y represents "entrepreneurs having the intention to become members of microcredit scheme with ETMP" coded as one and "no intention to become a member of microcredit scheme with ETMP" coded as zero.

The equation of the logit model is shown as follows:

$$\text{Logit (Y)} = \text{natural log (odds)} = \ln(\pi/1 - \pi) = \alpha + \beta x;$$

Where:

- Y is having intention to become member of microcredit scheme with ETMP = 1, not having intention = 0,
- X₁ is entrepreneurs' age; 0 = above 40 years old, 1 = below 40 years old,
- X₂ is entrepreneurs' marital status; 1 = married, 0 = single,
- X₃ is entrepreneurs' education; 1 = above secondary school, 0 = below secondary school,
- X₄ is period the micro-enterprise has been receiving loan; in years, and
- X₅ is women entrepreneurs/workers involved in business; 0= No, 1=Yes,
- X₆ is business size improvement before and after receiving loan; 0= No, 1=Yes,
- X₇ is on time repayment if entrepreneurs are with loans; 0= No, 1=Yes.

RESULT AND DISCUSSION

By conducting face to face interview among micro-enterprises, series of surveys were conducted to collect data from 200 enterprises Kuala Selangor, Hulu Langat, and Gombak in Selangor. Micro enterprises which belonged to agro-based industry accounted for more than half of the interviewed enterprises (56 %) while the remaining 87 enterprises (44 %) belong to non-agro based industry as shown in Figure 2. Those entrepreneurs working as micro enterprises in the agro-based products are managing grocery store or peddling grocer of fresh chicken, vegetable, fruits and food including own products. The remaining enterprises belonged to non agro-based products including mechanic's shops for motorcycle and car, barbers, tailor shops and various non-agro based businesses. Among the 200 enterprises, 77 of them (38%) obtain loans for their business from financial institutions such as TEKUN and others and 123 enterprises (62 %) does not take any loan as shown in Figure 3. The SME bank, Agro Bank, and TEKUN are lenders for the enterprises however their financing services are without training and no program is provided for the borrowers.

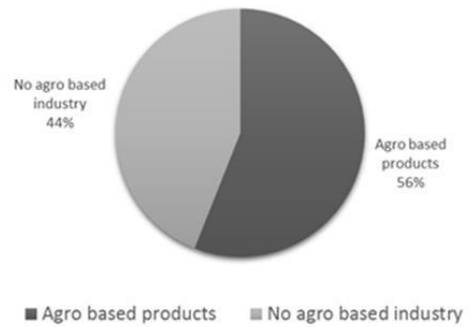


Figure 2. The ratio of 200 micro enterprises

Product	No.	Percentage
Agro based products	113	56%
Non agro-based industry	87	44%

between agro-based and non-agro based industry.

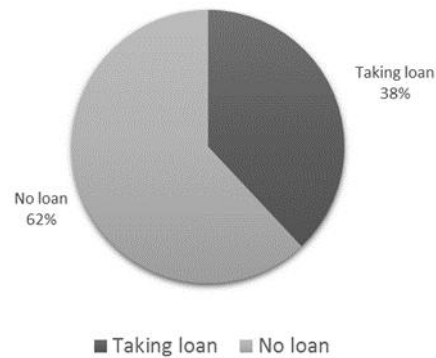


Figure 3. The ratio of micro enterprises based

Presence of loan	No.	Percentage
Taking loan	77	38%
No loan	123	62%

on the presence of loans for their business.

CONCLUSION

Table 1 shows the demographic profile of the respondents from micro enterprises. The majority of the respondents 64.0% (128 respondents) are above 30 years old while the rest 36.0 % (72 respondents) are below 30 years old. There are 132 (66.0 %) married respondents and the rest are single. Majority of the respondents have completed secondary school. About 69 respondents (34.5%) confirmed the involvement of women entrepreneurs and workers in their business. In terms of

improvement in profit or business size, about 137 respondents (68.5%) answered no to improvement in their business after obtaining loans. In terms of repayment, the respondents who pay back their debt on time are limited to 60 respondents (30.0 %) while majority of the respondents often delayed timely repayment. The average period of the time respondents have been involved in their business is 5.23 years. In terms of having the intention to become a member of microcredit scheme with ETMP, 87 respondents (43.5 %) answered having intention.

Table 1. Demographic profile and attitudinal characteristics towards microcredit loans

Demographic profile	No.	%
Age		
below 30 years old	72	36.0
above 30 years old	128	64.0
Marital status		
married	132	66.0
single	68	34.0
Education		
below secondary school	162	81.0
above secondary school	38	19.0
Wife/female involved in business		
Yes	69	34.5
No	131	65.5
Business size improvement		
Yes	63	31.5
No	137	68.5
On-time repayment		
Yes	60	30.0
No	140	70.0
Period of the business		
Years	5.23 years	-
Having intention to become member of microcredit scheme with facilitating programs		
Yes	87	43.5
No	113	56.5

Source: Own survey

The main factors influencing the intention to join the microcredit institutions providing ETMP were identified by binary logistic regression. In the analysis, the overall classification accuracy was 70.5 per cent with the adequate level of predictive accuracy. The estimated coefficient and statistical significance levels for the logistic regression are shown in Table 2. The results of the binary logistic regression indicate that three of the variables are statistically significant with positive signs. Based on the demographic profile of the respondents, marital status, and the gender were identified as important factors in influencing the micro entrepreneurs to obtain loans from financial institutions with ETMP. Respondents from micro-enterprise where women are involved as entrepreneurs or workers are 2.840 times more likely to have the intention to become members of the microcredit scheme with ETMP. It may be due to the characteristics of microcredit scheme represented by AIM that most of the borrowers are women. Following Grameen bank footsteps, AIM tries to develop woman empowerments among micro-enterprises. In terms of attitude towards repayment, those respondents who keep to the due date of the repayment tends to have the intention to join financial institutions with ETMP. On-time repayment requires the entrepreneurs' mindset motivation and strong responsibility as borrowers. In comparing respondents who often pay back late and those that do not obtain loans, they are 1.619 times more likely to have the intention to be members of the microcredit scheme with facilitation training and programs. Also, the respondents who obtained loans are 1.864 times more likely to have intention. With women's involvement in business and on time repayment variable, educational background of respondents is one of the determinants of intention to join

the ETMP. The respondents with lower educational background intend to join financial institutions with ETMP.

Table 2. The result of binary logistic regression for measuring intention to become a member of microcredit with program and training

	B	S.E.	Sig.	Exp(B)
Age	-0.176	0.385	0.647	0.838
Marital status	0.639	0.395	0.105	1.895
Education	-0.737	0.425	0.083 *	
Period of loan received	0.482	0.415	0.245	1.619
Woman involved in business	1.044	0.337	0.002 ***	2.84
Improvement of business size	-0.204	0.207	0.324	0.815
On time repayment	0.767	0.31	0.013 ***	2.153
Constant	-1.883	0.947	0.047 **	0.152

Overall predicted is 70.5

Source: Own survey

In order to improve household income level and create equity sustainable society, entrepreneurship has an important role to play in the Malaysian economy. There are various types of loans available in Malaysia for micro enterprises to fund their business. Micro-enterprises have been given special attention from the policy maker and are being implemented in 11th Malaysia Plan. It attempts to increase the number of skilled entrepreneurs among the micro enterprises. This study focuses on micro enterprises which are located in Kuala Selangor, Hulu Langat, and Gombak in Selangor, Malaysia in order to identify entrepreneurs who seek opportunity not only in obtaining loans but also joining ETMP. They are important in increasing skilled entrepreneurs and developing micro-enterprises in Malaysia. This study attempts to understand the potential loan borrowers and members of microcredit scheme who value ETMP to develop their business.

Micro-enterprises, which belonged to agro-based industry accounted for more than half of the interviewed enterprises (56%) while the remaining 87 enterprises (44 %) belonged to non-agro based industry. Factors such as marital status, involvement of wife and women in business, on time repayment and educational background influenced entrepreneurs' intention to become members of microcredit scheme with facilitating training and motivational programs. These particular characteristics of the respondent as entrepreneurs' running micro-enterprises revealed potential borrowers of microcredit financial institution with ETMP in future.

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DISCUSSION FROM PARALLEL SESSION

PAPER TITTLE	Micro Entrepreneurs Intention to Become Member of Microcredit Scheme with Educational Training and Motivational Program
AUTHOR	Rika Terano, Zainal Abidin, M, Fatin Najiha Mohd Tammili
DISCUSSION	
QUESTION	<ol style="list-style-type: none"> 1. Why don't authors use actual age instead of binary choice 0 and 1 2. The same thing with entrepreneurs education, number of schooling years 3. If binary variables is used for dependent variables, econometric problems many arise when too many binary independent variables 4. Some explanation is more appropriate to be put in the result & discussion not in the conclusion
ANSWER	
SUGGESTION	<ol style="list-style-type: none"> 1. Do not confused between result and discussion and conclusion 2. Conclusion contains only the findings of the study not discussion of the result 3. Instead of using below or above 40 4,0, use the actual age 4. No statistical data in the table 5. The slides and the paper are not consistent



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2016

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