ENTREPRENEURSHIP AS DISTINCTION BETWEEN POOR DISTRICT WITH RICH DISTRICT IN PAMEKASAN

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ABSTRACT

This study aims to examine the difference between the level of the poor districts with above average in regency of Pamekasan with the level of the poor districts with below average in regency of Pamekasan. The population is derived from the 13 districts in regency of Pamekasan with a sample of 328 people.

The method used is the applied research conducted by combining the entrepreneurial process with the intensity of entrepreneurial called entrepreneurial process model and the intensity of the entrepreneur. The results showed that the distinguishing factor is the poor districts and rich districts is someone's motivation for achievement and creativity to create added value. Achievement motivation will continuously create, use and deploy new products both through product development, the use of a new method for producing which will make the production costs become cheaper.

Keywords: Poverty, Entrepreneurship, Entrepreneurial Process, and The Intensity of the Entrepreneur.

INTRODUCTION

The average poverty line of East Java Province in 2013 was 273 758 (BPS, 2014). Of the 38 districts / cities in East Java, there are 18 districts / cities that are under the poverty line in East Java. Pacitan is the poorest regency of 215 482 and the richest regency of Surabaya amounted to 272 511. The poverty line of Pamekasan regency is 256 586 or was ranked 12th.

Pamekasan Regency is one of regencies in Madura - East Java, which is directly adjacent to the Java Sea in the north, the Madura Strait in the South, Sampang regency in the west, and Sumenep regency in the east. The geographical position of Pamekasan regency on $113^{o}19$ '- $113^{o}58$' east longitude and $6^{o}51$ '- $7^{o}31$' south latitude (BPS, 2016). Size Pamekasan regency is 79.230 hectares, divided into 13 districts which divided into: 178 villages and 11 urban villages. The average poverty rate of Pamekasan regency in 2007 is 47.46%. Districts with the number of poor people above the average poverty rate of Pamekasan regency are Proppo district (74.75%), Waru district (59.91%), Pengantenan district (58.44%), Tlanakan district (54,05%), and Batu Marmar district (51.57%).

Many economists are discussing the problems of poverty puts several factors as explanations for why a country gain economic prosperity, while other countries still below its average level of prosperity. There are five hypothesis that the source of economic progress of a country, yet still debated, namely: (1) culture, (2) human capital, (3) natural resources or geography (4) population density, and (5) technology (Yeager, 1999; and William J. Baumol, Robert E. Litan and Carl J. Schramm, 2010).

The exact reasons to explain the problem of poverty by using Drucker thought. Business fell because business theory used fall. The theory falls because of the assumptions used inadequate. "The Assumptions on the which the organization has been built and is being run no longer fit reality" (Drucker, 2005).

Search explanation of the factors that led to the economic growth continues to experience renewal. In the past decade appears more intensive discourse on the importance of institutions factors as variables that drive the economic growth of a country. Institution differ by a factor of education, natural resources, population, and technology that could explain the phenomenon seen economic progress achievement differences between countries. If the factor of education, natural resources, population density, and the technology are simple factor which is indispensable to the social reality; the institution (rules of the game) actually live and walk on the social reality. Institution better characterized by three things: (Acemoglu, 2003): (1) enforcement of property rights, (2) to limit the actions of politicians, elites, and groups of other influential that seeks to make a profit economy without the correct procedure, such as rent seeking behavior, and (3) giving the equal opportunity for all individuals to undertake economic activity / investment, particularly to increase the capacity of the individual (human capital) and participated in productive economic activity. Of course in the long-term institutional does not stop just a facilitator for investment and entrepreneurial achievement.

This study will examine the difference between the level of the poor districts with above average Pamekasan regency with the level of the poor districts with below average Pamekasan regency.

LITERATURE REVIEW
Poor People and Poverty Line (PL)
Poor people used to measure poverty. The concept used the Central Bureau of Statistics (BPS) is the ability to meet basic needs (basic needs approach). This approach sees poverty as an economic inability to meet the basic needs of food and non-food. This requirement is measured from the expenditure side. This means that the poor are the people who have an average expenditure per capita per month below the poverty line.

Poverty Line (GK) is the sum of Food Poverty Line (FPL) and Non-Food Poverty Line (NFPL). Residents with an average expenditure per capita per month is below poverty line are classified as poor.

The first phase calculates the poverty line (PL) which determines the reference population. The reference population was 20 percent of the population above the poverty line while (PLS). The definition of the reference population is marginal class population. GKS is calculated based on prior period in PL-Inflate with general inflation (CPI). From this reference population counted Food Poverty Line (FPL) and Non-Food Poverty Line (NFPL).

Food Poverty Line (FPL) is the minimum food expenditure, which is equivalent to 2100 kilocalories per capita per day. Food consumption bundle represented by 52 types of commodities (grains, tubers, fish, meat, eggs and milk, vegetables, legumes, fruits, oils and fats, etc.). The benchmark refers to the results of Food and Nutrition Widyakarya 1978. The

equalization of food minimum expenditure is done by calculating the average price of calories from all 52 of these commodities.

Non-Food Poverty Line (NFPL) is the minimum requirement for clothing, education, health, and housing. The packet of commodity basic need non food represented by 51 non-food commodities in urban and 47 commodities in the countryside. The minimum need per commodity / sub-group of non-food was calculated using the ratio of commodities / sub-group of the total expenditure commodities / sub-groups recorded in Susenas – consumption module. The ratio is calculated from the Survey of Basic Need Commodity 2004 (SPKKP 2004), which is made to collect the data of household consumption expenditure per non-food commodities are more detailed than the data Susenas Consumption Module.

Factors Driving Progress A State

There are five hypothesis that the source of economic progress of a country, yet still debated, namely: (1) culture, (2) human capital, (3) natural resources or geography (4) population density, and (5) technology (Yeager, 1999; and William J. Baumol, Robert E. Litan and Carl J. Schramm, 2010).

Often people can easily say that the differences in economic growth caused by cultural factors and human resources. Cultural factors have an argument that needs to be considered to explain the economic growth of a country. The results showed that the countries that have a culture of hard work and high spirit (the United States, some European countries, Japan, and some Asian countries) are growing rapidly while other countries that do not have this culture (Africa and Latin America) growing at a pace which is much slower or no growth at all (Landes, 1999).

For example in Indonesia, Minang culture are matrilineal. With this system, the control of wealth held by women, while men are quite small. After puberty, young men were not able to live at his parents' house. The house is only for daughter and their husbands and their children. As a result, young men Minang have to wander about. At time of wander about, they were not equipped with a lot of money (pai mambaok kanti) so that they will think about how to survive on the shoreline. However, the Minang people who wander about to be successful (pulang bagalang ameh) (Elfindri., Et al., 2010).

But culture is not the only factor that explains the success of the economy. For example Indian, Russian, and people from other countries were very successful doing business outside their home country, most of them remain in their home countries struggled just to support themselves and their families. This happens not only because of self-selection in which they as foreign workers work harder. However, more is due in the country has a government institution that actually become an obstacle to economic progress.

Human capital is considered as the stock of wealth of invaluable knowledge that every country has the human resource can promote economic activity through the achievement of a productive workforce. This belief is supported by the fact that the rich countries usually have high levels of its workforce in enrolment rate of more than 90 percent. But this hypothesis immediately fall when faced with three facts.

First, there are some countries such as Poland, Russia, and South Korea, which has the people with the level of education is very good, but its income per capita is far behind Japan, Germany, Canada, and France.

Second, whether the education that cause economic growth or on the contrary, the economic growth rate to encourage the improvement of education. For example in the 1979's, many countries in sub-Saharan Africa were to increase spending on the education sector, but did not show even the economic growth per capita income actually decreased.

Third, the case of Haiti and German immigrants who moved to the United States shows the unconformity between the level of education and income per capita. Immigrants from Haiti to earn half of German immigrants (US $ 10.900 compared to US $ 21.900 per year), so it is assumed the education of the German two times better than Haitian.

Some are showing geographic factors cause differences in economic growth between countries. The argument is of natural resources will facilitate a country to grow the economy with lower input costs. Equatorial country has so that the hot air temperatures cause people can not work hard and make them susceptible to disease. If at the equator is economically a prosperity that makes people fall asleep, then how to explain the spectacular economic success of Singapore or Thailand impressive performance.

Similarly, countries that do not have oceans or confined in state land territory of other countries that they must bear the cost of transport is very large and can not easily do foreign trade (Sachs 2005). If becoming landlocked country had been a disaster, then how can explain the incredible Swiss economy, whereas a country so hemmed in by mountains on all sides so that the uniqueness of this geography in the past used as a symbol of the country's neutrality. Instead, the US is an example of a country rich in natural resources (minerals, land, and timber) once prosperous economy.

In the economic literature known as "Dutch Disease" where in the 1960s, the Netherlands received the level of economic prosperity due to abundance of natural resources they have. But since the 1970s, the country's economy collapsed after the increase in the inflation rate, the decline in manufacturing exports, economic growth declined, and the increase in unemployment (Nafziger, 1990)

A country that has a low density is considered to have a chance for the welfare of its people. The reason is, if the population density is very high, then the population economic activity will only be on a subsistence level because of the low ratio between the man-land ratio. Developing countries, such as Indonesia are also characterized by low land holding due to a high population. This is easily seen in the economic actors in the agricultural sector, in which every head of household only have less than 0.5 hectares of land (especially in Java). As a result, agricultural activities are carried out only enough to meet its own needs (subsystem) and not for commercial purposes.

The following facts will refute the above opinion as other countries with quite high population density, such as Japan and Hong Kong, still has an income per capita levels are high. By contrast, countries such as: Brazil, China, and Russia are relatively low population density, instead income per capita much smaller than Switzerland or Germany.

Last is the technology. Technology is a key factor that into explanations for why a country can accumulate wealth and economic growth. Technology will bring a country to be able to renew economic activities more efficiently. Capabilities and technological progress is a very important factor in determining the performance of a country's industrial exports (Wie, 1997). However, this idea raises doubts. Is not technology could be absorbed by the developing countries with easy and free? Is not technology, recently discovered in the State maker (advanced) at the same time has also been applied in developing countries? Is not this already spent decades developing countries dissipate development fund only to transfer of technology from developed countries? This means that the mastery of adequate technology does not always help the country can accumulate economic welfare. India can represent these cases, where the level of mastery of technology that belongs fairly high, but until now the country is still mired in poverty.

Relations the Economic Growth with Entrepreneurship

By understanding the growth circular Porter's model will lead to an understanding of wealth driven. This means that a country needs to pursue sustainable innovation. This can be done by creating a lot of new entrepreneurs. They can turn innovation into beneficial (Thurow, 1999). Jean Baptiste Say in the beginning of the nineteenth century wrote: no entrepreneur, the knowledge will remain a knowledge in the memory of one or two people or in the pages of literature (Say, 1834 quoted from Baumol, Litan and Schramm, 2010). The opinion was reinforced by David Audretsch and his colleagues at the Max Planck Institute. They stated that entrepreneurship provides an important contribution to economic growth through the channel prior knowledge may not be commercialized (Audrestch et. Al. 2006).

Rich countries provide some rules and incentives for entrepreneurs so that they become motivated to continuously creating, using and deploying new products. Entrepreneur is the self-employed and start new businesses, any type of business. Every new or long standing business entity, providing new products or services or who develop and use new methods to produce or distribute goods and services that already exist with the cheaper cost means has made innovation. However, not all founders of newly established businesses can be classified as an entrepreneur or entrepreneurial presented (Drucker, 1965: 21). Drucker (1965: 27) explains that "dynamic imbalance created by entrepreneurs who make innovation an economic norm. So instead of balance and optimization. This innovation is a special instrument of entrepreneurship. Unlike the entrepreneur replicative that produce or sell goods or services that are already available from other sources such as a wholesaler of wool and corn, bakers, butchers and traders who buy products countryside to be processed and resold according to the needs of the population (Cantillon, 1931: 51). Entrepreneur impersonator indeed play an important role in most of the community's economy by: capital, education or limited experience to earn income. However, if economic growth becomes the main focus of the innovative entrepreneur had held a more important role.

Of course, the economy success not only rely on the entrepreneur. Most of the companies are too small to achieve optimal economies of scale. In addition, there is a considerable distance between the seed of a radical idea but rewarding to be a product that are commercially acceptable to consumers. On that basis, the most successful economy is an economy that has a "mix" between innovative entrepreneurs with large companies are more established (often a second generation entrepreneur or more of the company's founder). Large companies will refine and mass-produce the innovations developed by entrepreneurs. Creativity and creative destruction is often done by entrepreneurs and companies successors commercialize new technology as a replacement for old technology. For example: a car instead of a horse, electricity instead of steam engines, semiconductors instead of cathode tubes and hardware and computer software as a substitute for tasks previously done by humans.

Entrepreneur truly innovative can only be found in a capitalist economy in which the risk of doing something new at the expense of time and money will get a satisfactory reward. The results of these rewards can be stored safely. The second thing that is a requirement for entrepreneurial capitalism.

Open market economy or innovation driven (according to Porter's model) is able to maximize the opportunities available and trigger various latent potential that many people. This kind of economy is open to thought and sustained experiment that would provide results with a very large number, because a wide range of expertise and knowledge society at large in comparison with a group of expert planners or anything. Thus "unplanned" an open market economy that impressed as a major weakness is a strength (Baumol, Litan and Schramm, 2010).

But be aware that no one of any developed country that can survive only by relying on the entrepreneur. The existence of large firms remain important to refine and mass-produce various radical innovations generated by entrepreneurs.

RESEARCH METHODS

To achieve the research objectives, namely the difference between the districts with poor levels above the average Pamekasan regency with the level of the poor districts with below average Pamekasan regency, this research will be done with applied research. Research can be done by combining the entrepreneurial process and the intensity of entrepreneurial called entrepreneurial process model and the intensity of the entrepreneur. The number of participants as many as 328 participants representing 13 districts in Pamekasan regency.

RESULTS AND DISCUSSION

Demographic Data in Pamekasan Regency

An overview of poverty in Pamekasan regency and the population aged 20 to 24 year are the following. Table 1 shows the average poverty rate in Pamekasan regency in 2007 amounted to 47.46%. Districts with the number of poor people above the poverty level average Pamekasan regency are District of Proppo (74.75%), District of Waru (59.91%), District of Pengantenan (58.44%), District of Tlanakan (54.06%) , and the District of Batu Marmar (51.57%).

Table 1: The Poverty Rate, Population, and Population Age 20-24 years in Pamekasan Regency

District	Population 2015	Population Age 20 – 24 th 2015	Poverty Rate (2007)
Pamekasan	94.545	4.237	28,23%
Pademawu	81.184	6.133	39,80%
Pasean	50.088	3.665	44,76%
Larangan	54.992	4.223	42,62%
Kadur	45.050	3.802	45,41%
Tlanakan	63.086	5.877	54,06%
Pakong	35.550	2.443	42,37%
Galis	28.749	1.948	31,39%
Batu Marmar	80.954	7.472	51,57%
Pengantenan	65.381	5.318	58,44%
Palengaan	98.789	11.178	36,20%
Waru	65.806	5.630	59,91%
Proppo	80.388	3.294	74,75%
Pamekasan Regency	**844.562**	**65.220**	**47,46%**
Average	**64.966**		

Source: BPS Pamekasan Regency

High population densities is cause high poverty rate. This happens because of the low ratio between the number of people with the land area of economic activity population will only be on the subsistence level. Of the 13 districts in Pamekasan regency, there are 7 districts whose population is above the average population of Pamekasan regency. From a total of 7 districts, 5 of which occupies a poverty rate above the average. This means that only 71.4% only the truth that the high population causes poverty.

Young Pamekasan Entrepreneur Competition (YPEC)
The first competition is to sell products directly to consumers (selling competition). This model conditioning the participants to have experience as an entrepreneur. There are four steps being taken to the execution of an entrepreneur known as the entrepreneurial process. Fourth this process is the identification of business opportunities, finding business opportunities, business opportunities, and execute exploit these opportunities. This selling competition is held in Monument Arek Lancor, market of 17 August, and market of Kol Paju.
Table 2 shows the total number of participants of 328 people involved in selling competition only 247 people or 75,3 percent of those who followed its. Participants whose participation under 75,3 percent are District of Pamekasan (74,4%), District of Pademayu (73,8%), District of Tlanakan (73,3%), District of Pakong (56,3%), and the District of Pengantenan (72,7%). Of the five districts that the low participation rate of only 2 districts are categorized districts with high poverty rate are the District of Pengantenan and the District of Tlanakan.

Table 2: The Results of Competition Selling per District

District	Total Participant	Selling Participant	Sex	Passed selling	Passed vs Participant	Capital Avg Capital	Sales Avg Sales	Profit Avg Profit
Pamekasan	90	67	P	34	82,1%	3.462.500	4.718.500	1.256.000
			L	21		62.955	85.791	22.836
Pademawu	61	45	P	18	84,4%	2.550.000	3.613.500	1.063.500
			L	20		67.105	95.092	27.987
Pasean	16	12	P	3	66,7%	575.000	780.000	205.000
			L	5		71.875	97.500	25.625
Larangan	13	11	P	3	54,5%	375.000	558.500	183.500
			L	3		62.500	93.083	30.583
Kadur	13	12	P	5	91,7%	762.500	1.030.000	267.500
			L	6		69.318	93.636	24.318
Tlanakan	30	22	P	4	59,1%	825.000	1.093.000	268.000
			L	9		63.462	84.077	20.615
Pakong	16	9	P	2	66,7%	425.000	566.500	141.500

		L	4		70.833	94.417	23.583
Galis	18	14	P	4	57,1%	487.500	620.000	132.500
			L	4		60.938	77.500	16.563
Batu Marmar	17	15	P	4	73,3%	687.500	809.000	121.500
			L	7		62.500	73.545	11.045
Pengantenan	22	16	P	3	50,0%	550.000	612.000	62.000
			L	5		68.750	76.500	7.750
Palengaan	22	17	P	5	47,1%	425.000	521.000	96.000
			L	3		53.125	65.125	12.000
Waru	5	5	P	0	80,0%	200.000	216.000	16.000
			L	4		50.000	54.000	4.000
Proppo	5	2	P	0	0,0%	0	0	0
			L	0		0	0	0
Pamekasan Ragency	**328**	**247**	P	**85**	**71,3%**	**11.325.000**	**15.138.000**	**3,813.000**
			L	**91**		**64.347**	**86.011**	**21.665**

Source: Internal Data processed

This indicates that the desire to achieve is not determined by the environmental conditions but an impulse that arises in a person to achieve a predetermined goal, as stated by David Mc.Clelland in Achievement Motivation Theory.

From the observation selling competition, participants actively offered "Kangen Water" to the visitor market they encountered. This challenge is able to pass well by 247 participants with the sales results of Rp16.787.000. Of the 247 participants were able to sell products over the acquisition price as many as 176 participants with sales revenue reaching Rp15.138.000. While the remaining 71 participants only sell products at cost which Rp1.649.000. This means that all 71 participants did not generate profit or give "added value" into the product.

Motivation to continually create, use and deploy new products that "spirit of entrepreneur". Someone presents new product or service or to develop and use new methods to produce or distribute goods and services that already exist with the cheaper cost means has made innovation. However, not all founders of newly established businesses can be classified as an entrepreneur or entrepreneurial presented (Drucker, 1965: 21). Drucker (1965: 27) explains that "dynamic imbalance created by entrepreneurs who make innovation an economic norm. So it is not a balance and optimization. This innovation is a special instrument of entrepreneurship.

Table 2 shows the three districts sequence that produces the average value added (reflected through the profit), the largest are the District of Larangan, District of Pademawu, and District of Pasean. All three districts are not including poverty rate below the average poverty Pamekasan regency. This shows that human capital is a creative and motivated to achieve which will contribute to regional development.

CONCLUSION

High population density does not directly cause high poverty rate. From a total of 7 districts where the population is above the average population of Pamekasan regency, 5 of which occupies a poverty rate above the average. This means that only 71.4% only the truth that the high population causes poverty.

Factors that made the difference poor districts and rich districts is someone's motivation for achievement and creativity to create added value. Achievement motivation will continuously create, use and deploy new products both through product development, the use of a new method for producing production which will make the production costs become cheaper.

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