

# Model of urban poverty alleviation through the development of entrepreneurial spirit and business competence

*by* Ketut Irianto

---

**Submission date:** 04-Apr-2018 10:39AM (UTC+0700)

**Submission ID:** 940789171

**File name:** 1\_aryaningsih-Irianto-\_iop.pdf (333.66K)

**Word count:** 3013

**Character count:** 17147

PAPER • OPEN ACCESS

## Model of urban poverty alleviation through the development of entrepreneurial spirit and business competence

8

To cite this article: NN Aryaningsih *et al* 2018 *J. Phys.: Conf. Ser.* **953** 012045

View the [article online](#) for updates and enhancements.

## Model of urban poverty alleviation through the development of entrepreneurial spirit and business competence

NN Aryaningsih<sup>1\*</sup>, Kt Irianto<sup>2</sup>, Md Marsa Arsana<sup>3</sup>, Kt Juli Suarbawa<sup>4</sup>

<sup>1,3</sup>Accounting Departement, Politeknik Negeri Bali

<sup>2</sup> Agriculture Faculty, Warmadewa University

<sup>4</sup>Mechanical Engineering Departement, Politeknik Negeri Bali

Jl. Kampus, Bukit Jimbaran Kuta Selatan, Badung, Bali, Indonesia.80364

\*corresponding email: nyomanaryaningsih@pnb.ac.id

**Abstract.** The rapid increased of urban population can not be controlled by the city government. This will have an impact on the emergence of new poverty in urban areas, due to inadequate of the job opportunities and skills. Government programs for poverty alleviation can reduce some rural poverty, but have not been able to overcome poverty in urban areas. The diversity of urban issues and needs is greater than in rural areas. Therefore, it is necessary to conduct the research with the aim to build urban poverty reduction model through the development of entrepreneurship spirit and business competence. This research was conducted by investigation method, and questionnaire. Questionnaires are arranged with rating scale measurements. The validity and reliability of the questionnaire were tested by factor analysis. Model construction is constructed from various informant analyzes and descriptive statistical analysis. The results show that poverty alleviation model is very effective done by developing spirit of entrepreneurship and business competence.

### 1. Introduction

Poverty is the third world problem. Various poverty alleviation programs have been undertaken by the government, but there are still many poverty problems that arise in the country both in urban and rural areas is increasing. Increased urban population due to urbanization has an impact on urban pressure, and a decline in productive land by 30.92%. On the other hand, the growth of residential area is 266.95%. The increasingly urban population can't be controlled by the city government. This will lead to new problems such as residential development, tight economic activity / activity, and increased size of built-up areas. Increased wake area increased as a result of urban population 2.15% increase from the previous year higher than the national average 1.49%. [1] Indonesia's population 40% of the total population in ASEAN countries and 55% lived in urban areas. The most newly recognized problem is the new urban poverty. Urban problems are determined by effective resource utilization, uneven infrastructure reallocation, changes in social groups, incomes, rising unemployment. The problem of urban poverty is due to the utilization of time that is still less than optimal, creativity and community skills are still lacking. Higher economic growth in some OECD countries leads to a high poverty rate between the average poor and poor productive population at a ratio of 1: 9 [2] reveals three dimensions of poverty, namely vulnerability, noiselessness, and powerlessness. For that [3] consider the need to create competencies that focus on human competencies and entrepreneurship (entrepreneurship). Cia (2013)[1] discloses that government policies can be considered effective in addressing these issues, as they can motivate the emergence of creative ideas and individual initiatives to build new urban businesses.

[4] discloses that poverty can be reduced if supported by strong institutional functions, resource



balance, accountable government as the primary container. Ghana Poverty Reduction Strategy. Poverty can be assessed from multi-dimensional, because poverty is caused by lack of access to capital, lack of access to income sources so that people become less productive. Weak work discipline and low ability and skill as well as the cause of urban poverty. Some empirical showed that poverty is caused by too socially exclusive societies, resulting in community discrimination in material size and interaction with each other. The results of [5] study found that poor people in Bali have a wealth of material, knowledge, and are economically classified as lacking /weak, but health, social and infrastructure aspects are sufficient. People who have not been able to meet the most basic needs will bring up the poor [6].

Besides the problems faced in urban areas, are (1) the low ability to explore the economic potential of the population, so as to contribute to the welfare of the community; (2) shifting / conversion of land functions, especially suburban areas (urban-rural transition areas); (3) low development of entrepreneurship spirit and business competence to improve decent living standard [7],[8]. To address the discrimination between the groups, referring to the World Bank Report, Indonesia should consider "new business density", as Indonesia has the lowest entrepreneurship and trade value of 0.29 in Asia Pacific. [9],[10], stating the supportive environment is the initiative effort to solve the problem of poverty.

Since various government efforts have been made, individual poverty still exists, so efforts should be made to developed models of poverty alleviation on an individual and emotional basis. One way that can be done through the development of entrepreneurship spirit and business competencies. Current challenges to the city's most challenging contracts are the creation of smart cities, urban poverty reduction or providing quality urban human resources, motivating creativity and the number of new entrepreneurship from underprivileged groups, and optimizing the functionality of urban institutions / institutions. In this regard, it is necessary to conduct a research study to explore the economic potential of the urban poor society, so that it can be known cluster of pre-prosperous people who have entrepreneurship spirit and business competence to smart city

## 2. Methodology

11

The approach used in this research is Qualitative Approach and Quantitative Approach. Quantitative research emphasizes numerical assessment of a learned phenomenon. The qualitative approach emphasizes the development of narrative or textual description of the phenomenon under study. Research data were taken in city area with direct observation, data of BPS 2012-2016, where there was a considerable increase in population density of 7.5%; Data are collected by investigation / search, survey, and questionnaire method. The research questionnaire was designed as a research instrument using rating scale measurement with score 1 to 7. Testing questionnaire data with factor analysis. Data in research can be analyzed by descriptive statistic technique. Quantitative descriptive-statistical technique is an analytical technique carried out by describing / describing the sample data in the form of tables, graphs.

## 3. Results and discussion

Population mobility. Economic structures and regional conditions are different from the economic structure of urban areas [11]. From an economic point of view, regions such as districts and provinces of economic structures are dominated by agriculture in broad terms, plantations, livestock, fisheries, and forestry. The economic structure of urban areas is generally dominated by industrial activities, trade and services including transportation and communications, housing and financial services [11]. The development of urban areas is largely determined by the level of urbanization. There are two conditions that encourage the process of urbanization, namely: (1) production-initiated urbanization, seen from the supply side (supply side) is a combination of comparative cost, specialization, and economies of scale. (2) local market-initiated urbanization in terms of demand (demand side) is the development / increase in the number of households in urban areas. [12] reveals that urban puddles have been urbanized and driven by population growth and large-scale migration.

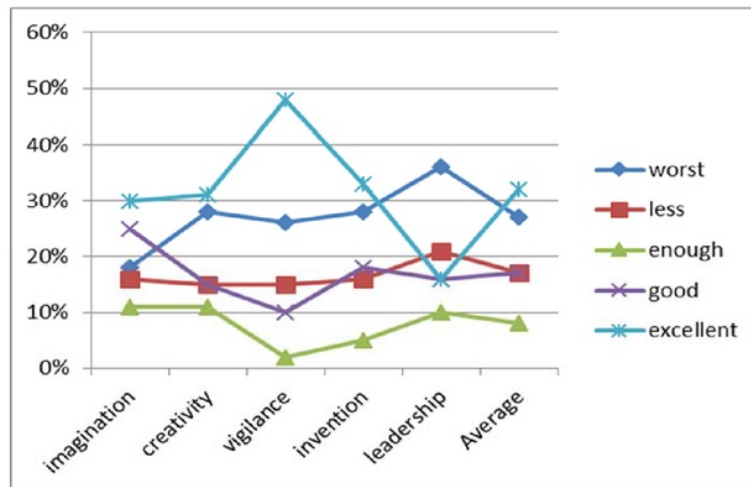


### 3.1. Population mobility

The results shows that are two conditions in the process of urbanization, namely: (1) production-initiated urbanization, seen from the supply side (supply side) is a combination of comparative cost, specialization, and economies of scale. (2) local market-initiated urbanization in terms of demand (demand side) is the development / increase in the number of households in urban areas.

### 3.2. Assessment of spirit entrepreneurship

The results show that the assessment of the entrepreneurial spirit of the urban poor with a five-scale assessment with normality test has a range of relatively variable values. The range of entrepreneurship spirit values includes: (1) very less range of values 2,4-3,545; Less range of values 3,545-4,315; While the value range is 4,315-5,085; Both range of values 5.085-5.855, and excellent range values of 5.75-7. Based on these criteria, the criteria are very less by 16%, less 30%, medium 10%, good 13%, and very good 31%. At the end of the entrepreneurial conclusion is still less than 46%, enough 10% and good by 44%. Based on these assessments it can be specified that the level of entrepreneurial spirit of the urban poor is categorized in groups, including: imagination, creativity, vigilance, discovery, and leadership. The spirit of entrepreneurship in the category is very good in the alert group by 48%, and very less in the imagination of 18%. This can also be shown in Figure 1.

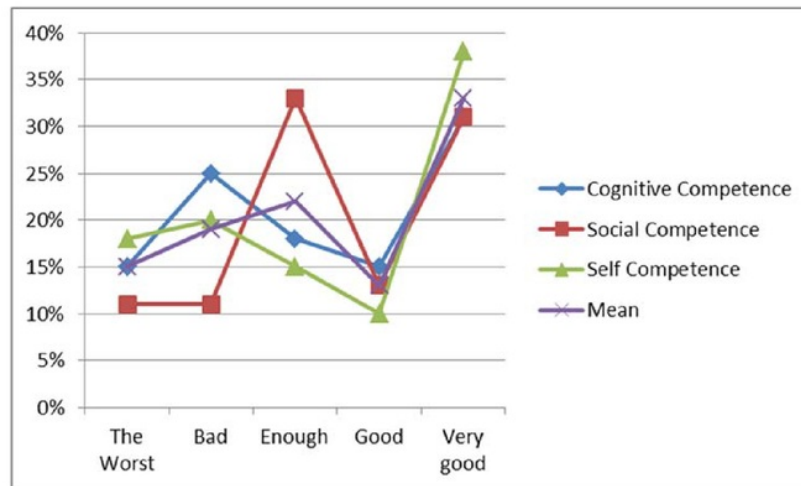


**Figure 1.** Assessment of Spirit Entrepreneurship in Poverty Urban

### 3.3. Business competencies

Business based on competencies studies conducted by [13], have used three indicators: market decisions: market controls; the personification of market forces. Assessment on Business Competency that refers to empirical evidences conducted as such as; market decisions, ability to apply calculations, time management, problems solving, social commitment, and creativity, motivation. The results research showed that assessment of business competency of the urban poor has a relatively variable range of values. Assessment is done on a scale of five with a normality test indicating that, (1) the range of values of 2.9-3.93 is worst; The range of values 3.93-4.61 is less; The range of values 4.61-5.29 is enough; The range of values 5.29-5.97 is good, and the value range 5.97-7 is excellent. Based on the results of these criteria, the grouping of business competencies, including: (1) cognitive competence classified as very less 15%, less is 25%, moderate is 18%, good is 15%, excellent is 31%; (2) social competence is very less 11%, less is 11%, medium is 33%, good is 13%, and very good 31%; (3) Self-Competence is very less 18%, less 20%, moderate 15%, good 10%, and very good 38%. The overall category of business competence of the urban poor is 15% very poor, 19% is

classified as less, 22% are moderate, 13% are good, and 33% are very good. The result of business competency assessment of the urban poor can be presented in Figure 2.



**Figure 2.** Assessment of Business Competency in Poverty Urban

Overall, I found that the results show that the urban poverty alleviation model in demographic and economic agglomeration areas can be measured by population mobility related to market decisions, entrepreneurship spirit related to vigilance, and business competence from social competence and self-competence aspects. This results linked with [14] that poverty avlliation needed To the extent that local savings and remittance income are increasingly channeled into such simple activities via microfinance institutions, and so channeled away from more sophisticated and scaled-up activities associated with small and medium enterprises, the more the economic structure of that country, region or locality is inevitably undermined and destroyed. Poverty alleviation through the spirit of entrepreneurship and business competencies be the basis of the foothold that the policy of Smart City. Smart City should be supported by a strong society in terms of self-ability as an internal motivation.

The development of urban areas in tourism areas is determined by local market-initiated urbanization on the demand side. The mobility of the urban population has characteristics, namely: a fairly narrow residence of 16 meters, the age of the urban community is very productive, the burden of the head of a family of three people, the job is dominated as a trader, the access to market information is very fast, has lived in the city for more than 5 years, One place to another between 1-3 years. The entrepreneurial spirit of the urban poor is dominated by an ever-vigilant attitude, but the imagination of is very low. The business competencies of the urban poor are supported by social competence and self-competence, so that decisions to stay tend to be near the market. The entrepreneurship-based poverty-based poverty models and business competencies formed by market decisions and low cost, awareness, social competence and self-competence. There is a value of trends in urban individuals able to be responsible for changes in access to market information, so the decision to choose a place to live close to the market.

I found that the urban poverty alleviation model in demographic and economic agglomeration areas can be measured by population mobility related to market decisions, entrepreneurship spirit related to vigilance, and business competence from social competence and self-competence aspects. This result is the same with the found by [15],[6a] that to reduction the urban poverty alleviation needed to development sector social business of economy. Poverty can occur due to a foundation's underlying political aspects to their development plan, where the politics outweigh the science of disease. The diseases then treated are ranked by their prevalence, morbidity, risk of mortality, and the

feasibility of control. So far, Smeeding(2005) showed that Strategy of alleviation poverty need to contruction and to development sector business and microfinance to collected of save capital.

#### 4. Conclusion

Urban poverty alleviation model in demographic and economic agglomeration areas can be measured by population mobility related to market decisions, entrepreneurship spirit related to vigilance, and business competence from social competence and self-competence aspects. The mobility of the urban population has characteristics, namely: a fairly narrow residence of 16 meters, the age of the urban community is very productive, the burden of the head of a family of three people, the job is dominated as a trader, the access to market information is very fast, has lived in the city for more than 5 years, One place to another between 1-3 years. The entrepreneurial spirit of the urban poor is dominated by an ever-vigilant attitude, but the imagination of is very low. The business competencies of the urban poor are supported by social competence and self-competence, so that decisions to stay tend to be near the market. The entrepreneurship based poverty models and business competencies formed by market decisions and low cost, awareness, social competence and self-competence.

#### 5. Acknowledgments

Authors wishing to acknowledge assistance or encouragement from colleagues, special work by technical staff or financial support from organizations should do so in an unnumbered. Authors thank all the leaders of Bali State Polytechnic, organizing committee of IJCST 2017 seminar which has provided support of facilities for the smoothness of Institutional Research. From the results of this study the researcher recommends that further research on the economic, social and cultural aspects of "why the urban poor must be the market decision to priority scale" ..

#### 6. References

- [1] Chia, Siow Yue 2013. The ASEAN Economic Community: Progress, Challenges, and Prospects (ADB October) No 440
- [3] Erpenbeck and Rosenstiel. 2003. Erpenbeck, Rosenstiel, 2003. Erpenbeck, John & Lutz von Rosenstiel, Lutz (Hrsg.). Handbuch Kompetenzmessung. Erkennen, verstehen und bewerten von Kompetenzen in der betrieblichen, pädagogischen und psychologischen Praxis. Schäffer-Poeschel.
- [4] Alex Adda-Korankye 2014. Microfinance: a tool for poverty reduction in developing countries. *J. Business and Retail Management Research*. 7(1). ABRM.
- [5] Darma, IG 2017. Strategi pengentasan kemiskinan di Kabupaten Klungkung, Bali *Disertasi*, Pascasarjana Universitas Udayana (in Indonesia)
- [6] Yunus, M, 1999 Poverty Alleviation: is Economic any Help Lesson from the Grameen Bank Experience. *J. International Affairs*, 52 (1).
- [6a] Yunus, Muhammad, Moingeon, Bertrand and Laurence Lehmann-Ortega (2010), "Building Social Business Models: Lessons from the Grameen Experience", April-June, vol 43 number 2-3 *Long Range Planning*, pp 308-325
- [7] Yunus, Muhammad. 2007. *Creating a World without Poverty: Social Business and the Future of Capitalism* (New York: Public Affairs). ISBN 978-1-58648-493-4.
- [8] World Bank, 2013. *Research Bank Dunia dan Biro Pusat Statistik, Laporan Bank Dunia*, Jakarta.
- [9] Gonner, Christian; Michaela Haug, Ade Cahyat, Eva Wollenberg, Wil de Jong, Godwin Limberg, Peter Cronkleton, Moira Moeliono, Michel Becker, 2007. Capturing Nested Spheres of poverty: A Model for multidimensional Poverty Analysis and Monitoring. Occasional (Paper) CIFOR, 46.
- [10] Rodgers, Joan R., and John L. Rodgers, 2010. Chronic and Transitory Poverty over the Life



Cycle. *Australian J Labour Economics*. vol 13 (2)

- [11] Sjafrizal, 2012. *Ekonomi Wilayah dan Perkotaan*. Jakarta: Raja Grafindo Persada ( in Indonesia).
- [12] Sudhira, H.S., T.V. Ramachandra K.S., Jagadish, 2003. Urban sprawl: metrics, dynamics and modelling using GIS, *Journal of Applied Earth Observation and Geoinformation* 5) pp 29–39.
- [13] Foss, Kirsten J., Foss, and Peter G. Klein, 2007. Original and Derived Judgments: an Entrepreneurial Theory of Economic Organization. *Organization Studies*. 28) pp 1893-1912
- [14] Milford, Batemnnna and Red Pepper, 2010. Poverty and Inequality. Share The Word's Resources.
- [15] Klein, Martin H.. Poverty, 2008. Alleviation through Sustainable Strategic Business Models. (October 2008 ) p 295. ISBN 978-90-5892-168-0
- [16] Smeeding, T 2005. Public Policy, Economic Inequality, and Poverty: The United States in comparative perspective. *Social Science Quarterly* **86** pp 955–983



# Model of urban poverty alleviation through the development of entrepreneurial spirit and business competence

## ORIGINALITY REPORT

18%

SIMILARITY INDEX

13%

INTERNET SOURCES

11%

PUBLICATIONS

17%

STUDENT PAPERS

## PRIMARY SOURCES

1

Submitted to Universitas Negeri Surabaya The State University of Surabaya

Student Paper

6%

2

[en.wikipedia.org](https://en.wikipedia.org)

Internet Source

2%

3

Submitted to Universitas Atma Jaya Yogyakarta

Student Paper

2%

4

[en.m.wikipedia.org](https://en.m.wikipedia.org)

Internet Source

1%

5

Submitted to University of Bedfordshire

Student Paper

1%

6

[www.jucs.org](http://www.jucs.org)

Internet Source

1%

7

[ipta2014.iopconfs.org](http://ipta2014.iopconfs.org)

Internet Source

1%

8

A R Amalia, B Suswanto, H Kristijanto, D Irawan. "Numerical Study on the Behaviour of

1%

# Reduced Beam Section Presence in Rectangular Concrete Filled Tubes Connection", Journal of Physics: Conference Series, 2018

Publication

9	Submitted to Udayana University Student Paper	1%
10	wgbis.ces.iisc.ernet.in Internet Source	1%
11	Submitted to Higher Education Commission Pakistan Student Paper	1%
12	www.cbs.dk Internet Source	1%
13	ideas.repec.org Internet Source	1%

Exclude quotes On

Exclude matches < 1%

Exclude bibliography On