

The Influential Factors in Creating Entrepreneurs at Thematic Villages in Semarang

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¹ The Influential Factors in Creating Entrepreneurs at Thematic Villages in Semarang

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Abstract. Thematic Village is one of the programs to advance the economy in urban villages, including in Semarang. However; some good programs cannot be implemented well; as time goes by, they go down. Many factors are influencing the survival of Thematic Village, including the existence of entrepreneurs at Thematic Villages. The research objective is to analyze the factors influencing the existence of entrepreneurs at thematic villages at Semarang. It is a qualitative descriptive study conducted at 15 Thematic Villages in Semarang. There are 3 three (3) key informants in each village; i.e. 1 thematic village administrator and 2 entrepreneurs at each thematic village. Data are collected through in-de³ interviews, observation, and documentation. Data are analyzed with data triangulation, i.e. data reduction, data display, and conclusion drawing. The results show that the existence of entrepreneurs at thematic villages is strongly influenced by (1) individual motivation for self-development, motivation to advance the village, motivation for earning income; (2) the role of the government, both the city government and the village government for setting the policies and; (3) the role of tertiary institutions through research and service programs; (4) The role of financial institutions for soft loan programs and business training.

Keywords: Thematic Villages, Entrepreneurs, the Role of Higher Education Institution.

1 Introduction

There are many thematic villages at Semarang with their themes; such as colorful villages, 3D villages, and many more. They hold many programs or activities to attract tourists. The visitors are then expected to improve the tourism sector and the creative economy. The various activities are to introduce and to increase the competitiveness of thematic villages.

The thematic village has many programs to highlight its uniqueness. The potential uniqueness as an area icon is not only in the form of physical or environmental aspects, but also the values; such as culture, tradition, and local wisdom. The purpose of implementing thematic villages is to optimize all local potentials existing in a certain area to reduce poverty.

There are also other objectives of thematic villages; such as changing slum into non-slums regions, increasing the greening area, engaging the community involvement, improving environments, and raising the social and economic potential of the community.

Semarang is one of the cities implementing thematic villages since 2016. Thematic villages at Semarang are launched due to the poverty up to 20.82% of the population at Semarang in 2015 [1]. Thematic villages are created to reduce poverty and improve their local potentials.

Based on the official website of the Semarang Government, there are dozens of thematic villages at Semarang. Its village has its different themes, such as a kids-friendly village, milk dairy, hydroponics, *Batik* center, *Presto-Milkfish* center, traditional snacks, and many more.

Thematic villages at Semarang can be an alternative to boost tourist visits at Semarang. It does not only display neatly arranged villages that are concerned with the environment but also has the value of art and tourism. Its local products are expected to attract tourists to visit the village.

As a new tourism sector, thematic villages are expected to improve the economic welfare of the population. With the right government policy, the tourism sector from thematic villages can improve the welfare of the tourist area. The tourism sector can also open many jobs which leads to reducing unemployment in the community. The more visitors give more incomes and more profits for the entrepreneurs at the thematic village. Entrepreneurs can provide products or services for tourists or visitors. The ability to see this business opportunity is a manifestation of entrepreneurial literacy owned by the thematic village's residents should be different from ordinary villages. The purpose of the study is to identify factors creating and influencing entrepreneurs at thematic villages at Semarang.

2 Literature Review

2.1 Thematic Village

The thematic village is one of the government programs to solve the problems; such as the bad quality of the environment, basic infrastructure of settlements, jobless, and many more. Thematic villages are for villages to change and improve bad environmental conditions, improve the greening area, engage more community participation to improve the social and economic potential local community.

Here they are some characteristics of thematic villages by involving the community and the related institution for making the good image;

- a) Educational characters (culture, tradition, local wisdom)
- b) Business Community
- c) A healthy community and environment
- d) Handmade for the Craft community
- e) Environmentally friendly home industry
- f) Other special characteristics are different from the other villages' characteristics.

According to Irhandayaningsih [2], the thematic villages should seek the potentials in the community. With a thematic village, it can create jobs to improve the community's economy. The development of thematic villages is also one of the solutions to increase participation and bring up community initiatives in development. The development of thematic villages generally presents a

different style and aesthetic value by both promoting environmental sustainability and also developing the creative economy [3].

The development of thematic villages is generally expected to be a solution to bad environmental problems. This thematic village development tends to develop the economic sector in a city or a region.

2.2 The Innovation of Thematic Villages at Semarang

One of the thematic villages that are reaping success in overcoming slums is happening in Semarang. In 2017 the city government of Semarang not only reaped success in changing slums to be more organized but also succeeded in encouraging social change and economic improvement in rural areas in the city of Semarang.

Thematic Village is one of the programs in the Great Gate (Joint Movement for Poverty Reduction and Unemployment through Economic Harmonization, Education, Ecosystems, and Community Ethos). It is called innovation because there has never been a program that highlights the potential of every village in the city of Semarang.

Thematic village relations in the Great Gate program cover several sectors such as education, ethos, ecosystems, and the economy. In terms of education, thematic villages educate the public to be able to understand the characteristics of the region, map potentials, and problems, and raise potential in a thematic. In terms of ethos, thematic villages strive to build attitudes, personalities, and character of the community to care for the environment. The spirit of cooperation to build and care for the environment is also increasingly high.

Furthermore; it can also be used to map and formulate solutions to problems and raise environmental potential by empowering residents. Thematic villages can be an alternative to fix and improve the quality of the environment (especially the environment in densely populated, slum, and poor areas) to be better and orderly. In terms of economy, thematic villages are formed as an effort by the government to improve the welfare of the community through the potential raised.

2.3 Entrepreneurial Literacy

Literacy culture makes a person literate in information and technology. Literacy in various fields will encourage understanding, creativity, and innovations. Not only renewing or improving the quality of old products but also can produce new products.

Literacy culture makes someone responsive to new opportunities. The emergence of a creative economy and new ventures are alternatives to creating jobs. Cultural literacy is not just reading or writing but can be the basis for building or fostering the entrepreneurial spirit of every person who called entrepreneurial literacy.

Entrepreneurial literacy is to assess individual achievements related to business development [4]. An in-depth understanding and professional ability regarding entrepreneurship can undeniably enhance business development managed by entrepreneurs. Entrepreneurial literacy is important for the community in running a business. They should know about financial management, taxation knowledge, credit management, and the development of business projections in the long run. A bad understanding of those fields may cause failure in the management of a business [5].

The role of entrepreneurial literacy is reflected in several aspects including on product, marketing, finance, and human resource management. The measurement of the level of entrepreneurial literacy in this study is based on several categories. According to Winarno & Wijijayanti [6], the category of understanding entrepreneurial literacy includes opportunities, risks, products, marketing, finance, and human resources.

3 Research Method

It is a qualitative descriptive study based on phenomenology. This approach is suitable to uncover the phenomena at the research locations. The study is located in 9 Thematic Villages in Semarang, with 27 business informants. The data are collected through observation and in-depth interviews. Data are analyzed with data triangulation which included data reduction, data display, and drawing conclusion.

4 Results and Discussion

The results showed that the existence of entrepreneurs at Thematic villages in Semarang is strongly influenced by (1) individual motivations; such as motivation for self-development, motivation to advance the village, motivation for earning income; (2) government institutions; including the city government and the village government, the foodservice agency, the health service center; (3) the universities through research programs and community service (village assistance, training, marketing, mentoring); (4) financial institutions by offering soft loans and business training.

Table 1 showing the factors that affect the existence of the entrepreneurs in at thematic villages.

Table 1. Factors Influencing the Existence of Entrepreneurs at Thematic Villages

No	The Factors	Number of Entrepreneurs	Percentage
1	Individual Motivation	10 people	37%
2	The Role of Government	9 people	33.3%
3	The Role of Higher Education	5 people	18.5%
4	The Role of Financial Institutions	3 people	11.2%
	Total	27 people	100%

Source: Research data processed, 2020.

Then, the detailed individual motivations affecting the existence of entrepreneurs at thematic villages can be seen in table 2.

Next, data on government roles influencing the existence of entrepreneurs at thematic villages in Semarang can be seen in Table 3.

Then, data on the role of universities in the existence of entrepreneurs at thematic villages in Semarang can be described in table 4.

Table 2. The Priority of Individual Motivations Influencing the Existence of Entrepreneurs at Thematic Villages

No	Priority on Individual Motivation	Number of Informants	Percentage
1	Self-Development Motivation	12 People	44.4 %
2	Motivation to Advance the Village	10 People	37.0 %
3	Motivation to Get Income	5 People	18.6 %
Total		27 People	100%

Source: Processed Research Data, 2020.

Table 3. Government Institutions Influencing the Existence of Entrepreneurs at Thematic Villages

No	Priority for the Role of Government	Number of Informants	Percentage
1	City Government	19 people	70.4 %
2	Food and Health Service Agencies	5 people	18.5 %
3	Village Government	3 people	11.1 %
Total		27 people	100%

Source: Processed Research Data, 2020.

Table 4. The Role of Universities Influencing the Existence of Entrepreneurs at Thematic Villages in Semarang

No	The Roles of Higher Education	Universities Activities
1	Research Programs	a. Research on and listen to obstacles happening at the thematic village. b. Make a recommendation from a tertiary institution or related agency to find solutions to problems at thematic villages by providing service or assistance.
2	Community Service Program	a. Training in financial management, human resources, marketing, processing. b. Assistance for the formation of associations, cooperatives, marketing. c. Making a better management village fostered by universities.

Source: Processed Research Data, 2020.

Data on the role of financial institutions on the existence of entrepreneurs at thematic villages in Semarang can be described in table 5.

Table 5. The Role of Financial Institutions Influencing the Existence of Entrepreneurs at Thematic Villages in Semarang

No	The Role of Financial Institutions	Financial Institution Activities
1	Corporate Social Responsibility (CSR) Program	<ul style="list-style-type: none"> a. Providing equipment or infrastructure assistance to entrepreneurs at thematic villages b. Provide financial management training and bookkeeping business activities
2	Education and Training Program	<ul style="list-style-type: none"> a. Providing entrepreneurship education, financial management, and bookkeeping, marketing management b. Assist in bookkeeping to meet the requirements for applying for loans to financial institutions
3	Soft Loan Program	<ul style="list-style-type: none"> a. Providing information on capital loan applications to financial institutions b. Provide loans with soft conditions to entrepreneurs at thematic villages

Source: Processed Research Data, 2020.

4.1 Discussion

4.1.1 Individual Motivation is the Biggest Factor Influencing the Existence of Entrepreneurs at Thematic Villages in Semarang

This research finds that individual motivation for creating businesses played the highest factor; it is 37% (10 people). Individual motivation factors influencing the existence of these entrepreneurs are divided into motivation for self-development by 44.4%, motivation for advancing villages by 37%, and motivation for earning 18.6%. These results illustrate that the majority of entrepreneurs at thematic villages in Semarang have the awareness to develop the skills they have. They always try to develop their expertise to continue to innovate with new products following the theme of the village.

Batik entrepreneurs do some innovations on making the natural coloring and motif motifs can be seen at *Kampung Batik*. Then, entrepreneurs at *Kampung Kolang Kaling* (Kokolaka) innovate in a variety of foods made from sugar palm fruit such as sprouts, fried tofu meatballs, sweet stuff. All products are made of natural ingredients. The entrepreneurs at *Kampung Ketela* (Cassava) also processed cassava into *Gethuk* but have innovated into more innovative snacks made from cassava.

Individual motivation to develop themselves as a form of awareness of each of these entrepreneurs can make them exist among the similar manufactured products that look more attractive, can be mass-produced, and have longer durability. However, local awareness and wisdom teach them to always innovate and not use chemicals so that it becomes a plus sought by consumers today. The motivation for the self-development of entrepreneurs at thematic villages is following the findings of Woldie et al. [7].

Furthermore, the motivation of individuals to advance their villages is also a significant factor in the existence of entrepreneurs at thematic villages Semarang for 37%. It means that entrepreneurs in thematic villages are very enthusiastic to advance their villages. Motivation to advance his village made the existence of entrepreneurs at thematic villages strong. It is done by forming business groups in each village. The existence of a business group at thematic villages can reinforce them to be more independent [8][9].

Inviting and recruiting neighbors to become entrepreneurs are ways to create more jobs for more people in the village. It is following the findings of Khusna [9]; Woldie et al. [7] that the existence of MSMEs has opened more jobs. Another impact of the increase in employment as a result of the existence of entrepreneurs at the thematic village is that community income rises. It happens because if people work, they can get money as their incomes. It is following the research of Irhandayaningsih [2]; Hutoto [10], Sari [11] that the existence of Thematic Village has an impact on increasing people's income. This additional income for the entrepreneur as financial motivation [7]. Thus; the motivation to get income is an indirect impact of the existence of entrepreneurs at thematic villages. Generally, entrepreneurs at thematic villages use workers around their homes. Therefore; the existence of businesses at thematic villages is also an effective way to tackle poverty [10].

4.1.2 The Role of the Government on the Existence of Entrepreneurs at Thematic Villages

The role of government in the existence of businesses at the thematic village is 33.3 %. The results show that the role of the government is vital in the existence of entrepreneurs in thematic villages. The role of the government is in terms of providing capital facilities, mentoring and training, and the provision of infrastructure. The orders of the government's role in the existence of entrepreneurs are from the city government, government offices, and the village government.

The role of the city government is the initiator, the provider of infrastructure and facilities, and the capital stimulus for the formation of thematic villages. The role of the city government is very important because it becomes the spearhead of the stipulation of Thematic Village with all its facilities including capital and infrastructure. The roles of the government are in terms of bureaucracy and institutional [12][13]; policy, training, improvement of infrastructure [14]; assistance [10][15]; producing network [12], capital providers [16].

The role of the government in this case is important for the existence of entrepreneurs at thematic villages in Semarang. But in fact, the role of government is more than just a program successor. It means that when the program is launched as if mushrooming throughout the region, but when changing years there is no follow-up from the government for assistance, as a result, many thematic villages in Semarang are inactive. Hutoto [10] stated that the role of government in the existence of thematic villages is very important. It is because many barriers may affect the existence of the entrepreneurs at the thematic village since they are not independent yet [2][8].

The role of the government is also for a regular promotion in the community [13]. Many entrepreneurs who are not provided with location facilities to market their products and even online information about Thematic Villages owned by the government have little information and minimal contact person in each thematic village. In fact, according to Andriani and Zain [17] that is a promotion in the marketing performance of a business organization becomes a major problem for SMEs. Thus; the desirable role of the government is to promote the product in its thematic villages regularly.

While the role of government is also significant are agencies of government such as; health department, department of industry, and commerce. The role of the health department is related to the hygiene and safety of products produced by businesses at the thematic village. The role of the health department (BPOM) makes the products produced by Thematic Villages businesses safe for consumption and environmentally friendly. It is consistent with Khusna's research [9] that the role of the government through the health service is carried out with hygienic processing training and BPOM provides chemical counseling.

Furthermore; related to the city government and related agencies, it turns out that entrepreneurs also lack the support and attention of the local village government. The role of the local village government is indispensable for the existence of entrepreneurs at thematic villages for 11.1 %. The village government does not accommodate the desires of entrepreneurs; in terms of providing locations for promotion, motivating entrepreneurs, and the community to continue to exist. It is consistent with research is done by Syarifa and Wijaya [8] that the implementation at thematic villages is not ideal and needs drivers to motivate more people in the community. Then, Rahmawati, et.al. [15] do a research, they find that indispensable community empowerment is needed at thematic villages.

4.1.3 The Roles of Universities on the Existence of Entrepreneurs at Thematic Villages

The results showed that 18.5 % of entrepreneurs said that the universities affect the existence of the entrepreneurs in thematic villages. The roles of universities are for training in both on-line marketing (e-commerce) and offline, business management training, accounting training even produce more new product variants.

The existence of the intervention of universities in both research and dedication made the entrepreneurs have a stronger mentality to continue the existence of Thematic Village in their village. With the intervention of universities in management and financial training as well as in the promotion of significant influence to overcome obstacles faced by businesses at the thematic village in the City of Semarang. It is consistent with research that one of the barriers to thematic villages' existence is limited human resources and finance [18]. Thus; it is necessary to empower communities and to increase branding.

4.1.4 The Roles of Financial Institution on the Existence of Entrepreneurs at Thematic Villages

There are 11.2 % of entrepreneurs in thematic villages stated that financial institutions contribute to the existence of entrepreneurs in thematic villages. The role of financial institutions is felt among others provide training in financial and capital management software and even give the CSR to the village. With financial training, entrepreneurs are better able to manage their finances. Whereas the existence of soft capital loans makes the business capital of entrepreneurs stronger. A research done by Behera and Das [16] find that the existence of capital is more influential in MSMEs. The existence of the role of financial institutions has led to stronger capital for entrepreneurs and business groups. It is following Khusna's study [9] that the capital fund led to the stronger capital business group in thematic villages.

5 Conclusion

It is concluded that there are four (4) factors influencing the existence of entrepreneurs at thematic villages in Semarang. The existence of entrepreneurs in Thematic villages is strongly influenced by (1) individual motivation for self-development, motivation to advance the village, motivation for earning income; It is in line with the results of this study by Woldie et al. [7] that the biggest factor influencing the existence of MSMEs is the financial motivation of their owners (2) the role of the government from the city government, the government offices and the village government for setting the policies and; (3) the role of tertiary institutions through research and service programs; (4) The role of financial institutions for soft loan programs and business training at thematic villages in Semarang.

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