

**THE ANALYSIS OF HUMAN CAPITAL BUILDING, FINANCIAL ASSISTANCE,
FACILITIES AND INFRASTRUCTURE SUPPORT, GOVERNMENT POLICY
ON SMALL MEDIUM ENTERPRISES DEVELOPMENT
IN RURAL AREA MANADO AND MINAHASA**

by:

Andriano Putra Momongan¹

¹Faculty of Economics and Business
International Business Administration (IBA) Program
University of Sam Ratulangi Manado
email: 1putramomongan@yahoo.com

ABSTRACT

The existence of Small Medium Enterprises (SMEs) plays an important role to the economy of Indonesia. SMEs have been developed rapidly and have a significant contribution to the economic growth, national income and creating job employment. SMEs even play a powerful role during the economic crisis. In rural areas, SMEs are also related to the local economic performance. The creation and development of sustainable local businesses that generate jobs and create economic opportunities are vital for rural area in increasing income and employment. This research is designed to analyze the four proponents including human capital building, financial assistance, facilities and infrastructure support, and government policy on small medium enterprises development in rural area of Manado and Minahasa. This research is a quantitative research that associative with multiple linear regression analysis technique. The population in this study is the developed small medium enterprises in rural area of Manado and Minahasa, whereas the sample of respondents are 100 rural entrepreneurs who are owner of small medium enterprises. The result of this research shows that there is significant simultaneous and partial influence of Human Capital Building, Financial Assistance, Facilities & Infrastructure support, and government policy on small medium enterprises development in rural area of Manado and Minahasa. Therefore, to enhance the development of SMEs in rural area of Manado and Minahasa these four proponents should be considered intensively.

Keywords: *small medium enterprises, human capital, financial assistance*

INTRODUCTION

The role of Small and Medium Enterprises (SMEs) on the current Indonesian economy development is very crucial. The amount of labors involved in SMEs sector reach approximately 98% of all Indonesian workers. Contribution of SMEs to the national GDP is also very significant, because the SMEs sector contributes for around 57% of total GDP in Indonesia. When the economic crisis happened to Indonesia in 1998, SMEs were able to survive compared to large businesses which tend to fall. It shows that SMEs sector has a better stability than big businesses during the economic crisis. SMEs sector also become one of the basic consideration of Indonesian government to face ACFTA (ASEAN-China Free Trade Area), this sector will be one of the elements which determine the economic impact that will come out from the implementation of this program.

The equality on the development of small and medium enterprises in both urban and rural areas is needed. SMEs have to develop not only in urban area but also in rural area. It is obvious that if we look at how important small and medium enterprises in rural area, SMEs play a big role in local economic performance. The similar case happened to small and medium enterprises in rural areas of Manado and Minahasa. SMEs sector

still plays the significant role in supporting the local economy in rural area of Manado and Minahasa, small and medium enterprises generate the local income, job employment and stimulate social welfare and sustainability.

Underscoring the importance of SMEs in rural area of Manado and Minahasa, we cannot ignore the fact that the development of small-medium enterprises in rural areas is influenced by several proponents both internal and external. In the role of human capital building to small-medium enterprises development in rural area, Khan (2012) argued that in order to create a better change to rural SMEs, it can be generated by giving them such knowledge and skill of entrepreneurship. By the knowledge of rural entrepreneurship, the development of microenterprise in rural area can be achieved. Financial assistance also plays a vital role on small and medium scale enterprises development because bank or microfinance institutions has significant influence to the development of SMEs and especially those in rural areas (Srinivas, 2013). Beside of that, the provision of infrastructure support to small and medium enterprises in rural area is necessary in order to aid their operational or business activities. Last but not least, the role of government in making policy is very influential on the development of small medium enterprises in rural area. Government policy is crucial to determine whether the policy will help the development of SMEs or even inhibit the growth of this sector in rural area (Jahanshashi, 2011).

Along with SMEs development, it can be seen that the SMEs sector in the rural area has shown significant growth. For this reason, it is very interesting to know whether the four proponents above have a significant influence to the development of small and medium enterprises in rural area of Manado and Minahasa.

Research Objectives

The objectives in this research are to find out the influence of:

1. Human capital building, financial assistance, facilities and infrastructure support, and government policy on small and medium enterprises development in rural area Manado and Minahasa simultaneously.
2. Human capital building on small and medium enterprise development in rural area Manado and Minahasa partially.
3. Financial assistance on small and medium enterprise development in rural area Manado and Minahasa partially.
4. Facilities and infrastructure support on small and medium enterprise development in rural area Manado and Minahasa partially.
5. Government policy on small and medium enterprise development in rural area Manado and Minahasa partially.

THEORETICAL FRAMEWORK

Business

Griffin and Ebert (2006:46) defined business is an organization that provides goods or services in order to earn profit. It is an activity that generates resources into a product to satisfy the needs of our society. Glos et al. (1980) arguing that business is a set of activities undertaken to create a way to develop and transform various power cracked into goods or services that consumer want.

Small Medium Enterprises

Department of Micro Small Medium Enterprises Cooperative (MSME, 2004) defines SME as economic activities that meet these following criteria:

1. Having a net worth of at most Rp 200.000.000, - (two hundred million rupiah), not including land and buildings.
2. Having annual sales turnover that does not exceed Rp 1.000.000.000, - (one billion rupiah).
3. Owned by Indonesian citizen.
4. Standing independently, is not a subsidiary or branch company owned, controlled or affiliated directly or indirectly with medium or large businesses.
5. Shaped individual, a business entity that is not a legal entity, or incorporated entities

Human Capital Building

Schultz (1993) defined the term of human capital refers to processes that relate to training, education and other professional initiatives in order to increase the levels of knowledge, skills, abilities, values, and social assets of an employee which will lead to the employee's satisfaction and performance, and eventually on a firm performance.

Financial Assistance

Tambunan (2008) explained that the financial assistance is the aid of money given to facilitate business activities, it is enabling factor of production that is essential for any business, whether small, medium or large. Neti (2009) stated that financial assistance may act as a support in business development or capital for a new business.

Facilities & Infrastructure Support

Sullivan & Sheffrin (2003) defined facilities & infrastructure support as the set of interconnected structural elements that provide framework supporting an entire structure of development. Ishikawa & Yamada (2002) argued infrastructure and related services includes both hard and soft: ports airports, railway systems, road networks power, communication, water, waste management, IT, legal, financial and technological infrastructure.

Government Policy

Chandler and Plano (1988) argued that government policy is a strategic utilization of the resource-existing resources to solve the problems of the public or the government. Public policy is a form of intervention that is performed continuously by the government in the interests of disadvantaged groups in society so that they can live, and participated extensively in the development.

Rural Areas and Entrepreneurship

Atchoarena and Gasperini (2003) stated rural area as pastures, forests, mountains and deserts, low density, about 5-land is available at a relatively low cost so most people work on farms and where high transaction cost affects the activities, associated with long distance from cities and poor infrastructures. Ahmad et al (2011) expressed rural entrepreneurship generally can be defined as creation of a new organization that introduces a new product, serves or creates a new market, or utilizes a new technology in a rural environment.

Previous Research

Agwu and Emeti (2014) investigated the issues, challenges and prospects of Small Medium Enterprises, and found that the provision of financial assistance, social infrastructure and favorable taxation policies will go a long in addressing the major consideration of SMEs. Marimuthu (2009) found that the human capital enhancement in organizations promotes innovativeness and greater firm performance. It is closely to some fundamentals of economics and firm performance including Small Medium Enterprises development. Srinivas (2013) found that financial assistance is an inevitable tool for SMEs growth and development, SMEs should be sensitized with government funds programs and the operations of microfinance institutions. Oduyeye et al. (2013) analyzed that the provision of infrastructure support like regular power supply, good roads, water and security should be concerned for the growth of SMEs by the federal government collaborates with private sector. Jahanshashi (2011) found that government policy and the growth of SMEs are crucial because many areas of government policy affected of levels in entrepreneurial activities.

Conceptual Framework

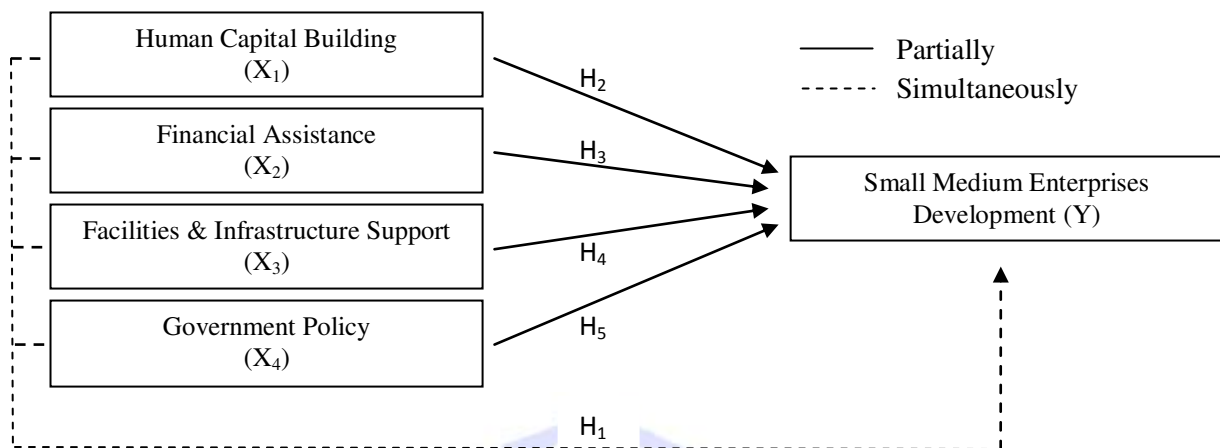


Figure 1. Conceptual Framework

Source: Research Procedure

Research Hypothesis

The research hypotheses of this research are:

- H₁ : Human capital building, financial assistance, facilities and infrastructure support, and government policy influence small medium enterprises development simultaneously
- H₂ : Human capital building influence small medium enterprise development partially
- H₃ : Financial assistance influence small and medium enterprise development partially
- H₄ : Facilities & infrastructures support influence small medium enterprise development partially
- H₅ : Government policy influence small medium enterprise development partially

RESEARCH METHOD

Type of Research

This research is quantitative research method using causal type of research. This type of research determines if one variable causes another variable to occur or change. This research will investigate the influence of human capital building, financial assistance, facilities & infrastructure support, and government policy on small medium enterprises development in rural area of Manado and Minahasa.

Place and Time of Research

This research was conducted in rural area of Manado and Minahasa, North Sulawesi during the period of June to August 2014.

Population and Sample

The population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate (Sekaran & Bougie, 2009:262). The population in this research is the developed Small medium enterprises which located in rural area of Manado and Minahasa. Sample is a conclusion can be made from the sample about the population to achieve the research objective (Saunders & Thornhill, 2007). This research is based on Simple Random Sampling technique of Probability Sampling Method. 100 SMEs were conducted as the sample in this research.

Data Collection Method

The data used in this research consist of two types between primary data through questionnaires and secondary data taken from books, journals and relevant literature from library and internet to understand of theoretical support on this research.

Operational Definition of Research Variables

The general explanations about variables in this current study are stated as follows:

1. Human Capital Building (X_1) is the process of improving skill and resources of people either in group or individual (Abdullah, 2009)
2. Financial Assistance (X_2) is the activities by facilitating an access of finance to a group or individual in business development or capital for a new business (Neti, 2009)
3. Facilities & Infrastructure Support (X_3) is the aim of basic physical structure for operation that provide framework supporting an entire structure of development (Sullivan & Sheffrin, 2003)
4. Government Policy (X_4) is the form of activities set by the government in order to improve life of society (Peters, 1982)
5. Small Medium Enterprise Development (Y) is the improvement process of Small Medium Enterprise through several consideration or measurement (Hallberg, 2000)

Data Analysis Method

Validity and Reliability

Validity is a test of how well an instrument that is developed measures the particular concept it is intended to measure. To analyze the validity of questionnaire, Pearson Product Moment is used. The instrument will valid if the instrument is able to fill the requirement in validity test. Validity for each variable is good where the values are above minimum level of 0.30. Reliability test is established by testing for both consistency and stability of the answer of questions. Consistency indicates how well the items measuring a concept hang together as a set; Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another, the questionnaire is reliable if the value of Cronbach's Alpha more than 0.6 (Sekaran & Bougie, 2009:162).

Multiple Regression Analysis Method

The method of research used in this study is multiple regression analysis. Multiple regression analysis is the process of calculating a coefficient of multiple determination and regression equation using two or more independent variables and one dependent variable (Sekaran & Bougie, 2009:348). The equation model of multiple regression analysis used in this research can be formulated as shown below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where :

- Y = Small Medium Enterprise Development (Dependent Variable)
- α = The constant, when all independent variable equal to 0
- X_1 = Human Capital Building (independent variable)
- X_2 = Financial Assistance (independent variable)
- X_3 = Facilities & Infrastructure Support (independent variable)
- X_4 = Government Policy (independent variable)
- β = The slope for each independent variable
- e = Error

RESULT AND DISCUSSION

Validity and Reliability

Validity test is used to know whether the instrument is valid or not. The instrument is valid if the value of variable is positive and more than 0.3 ($r > 0.3$). The result of human capital building (X_1) is 0.617, financial assistance (X_2) is 0.655, facilities & infrastructure support (X_3) is 0.814 and government policy (X_4) is 0.596. It means that all the indicators are valid. Reliability test is used to check the consistency of the measurement instrument. The reliability test in this research using Alpha Cronbach, that will show the instrument is reliable if the coefficient value is more than 0.6. The value of Cronbach Alpha is 0.888 which is more than 0.6. Therefore, the measurement instruments used for this research are reliable.

Classical Assumption

Multicollinearity

Table 1. Multicollinearity result

Model	Collinearity Statistics	
	Tolerance	VIF
1 Human Capital Building	.599	1.670
Financial Assistance	.534	1.873
Facilities & Infrastructure Support	.676	1.480
Government Policy	.621	1.610

a. Dependent Variable: SMEs Dev

Source: SPSS data analysis, 2014

Table 1 shows that the Tolerance value of human capital building is 0.599; financial assistance is 0.534; facilities and infrastructure support is 0.676, and government policy is 0.621 meaning the tolerance value of each variable is more than 0.2. The VIF value of Human capital building is 1.670, financial assistance is 1.843, facilities and infrastructure support is 1.480, and government policy is 1.610 meaning the VIF value of each variable is less than 10. Since all the tolerance values are more than 0.2 and VIF value of each independent variable is less than 10, this research is free from multicollinearity.

Heteroscedasticity

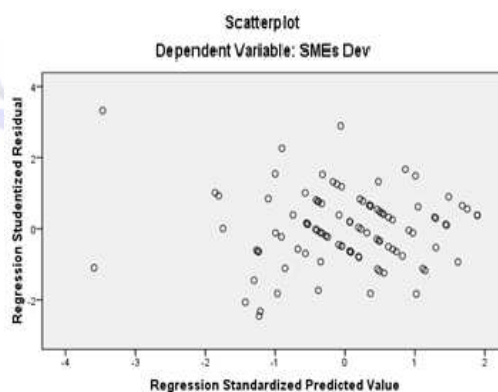


Figure 2. Heteroscedasticity result

Source: SPSS data analysis, 2014

The Figure 2 shows that the pattern of points is spreading. The points are spreading above and below of zero point in ordinate. It proves that there is no heteroscedasticity in this regression model.

Normality

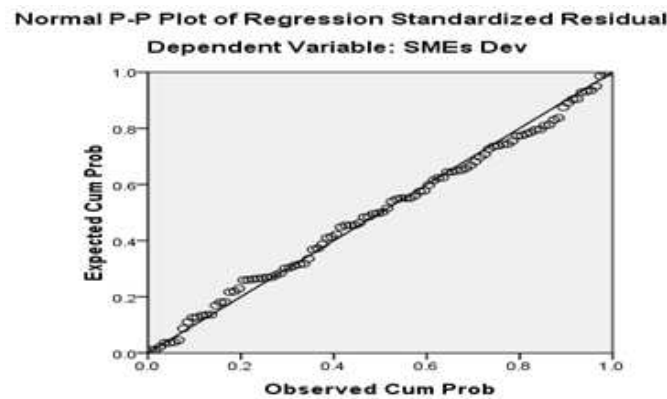


Figure 3. Normality result
Source: *SPSS data analysis, 2014*

Figure 3 shows that the data spreads near the diagonal line and follow the direction of diagonal line. Therefore, the normality test is accomplished.

Multiple Regression Analysis

Table 3. Multiple Regression Result

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.051	1.367		.038	.970
	Human Capital Building (X ₁)	.251	.093	.217	2.695	.008
	Financial Assistance (X ₂)	.241	.078	.262	3.070	.003
	Facilities & Infrastructure Support (X ₃)	.301	.073	.313	4.119	.000
	Government Policy (X ₄)	.200	.077	.206	2.604	.011

a. Dependent Variable: SMEs Dev
Source: SPSS data analysis, 2014

The calculation is conducted by using the SPSS software. The computerized calculation ensures the accuracy of the analysis. From the result in table 3, the multiple regression model can be defined as:

$$Y = 0.051 + 0.251X_1 + 0.241X_2 + 0.301X_3 + 0.2X_4 + e$$

From the multiple linear regression equation above, it can inform the interpretation as follows:

- 1) Constant value of 0.051 means that if the variables in this research of Variable X₁, X₂, X₃ and X₄ simultaneously increased by one scale or one unit will increase the Y at 0.051 point.
- 2) Coefficient value of 0.251 means that if the variables in this research of X₁ increased by one scale or one unit, it will improve and increase Y at 0.251.
- 3) Coefficient value of 0.241 means that if the variables in this research of X₂ increased by one scale or one unit, it will improve and increase Y at 0.241.
- 4) Coefficient value of 0.301 means that if the variables in this research of X₃ increased by one scale or one unit, it will improve and increase Y at 0.301.
- 5) Coefficient value of 0.2 means that if the variables in this research of X₄ increased by one scale or one unit, it will improve and increase Customer Satisfaction Y at 0.2.

Multiple Regression Coefficient of Correlation & Determination

Table 4. Table R and R²

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.794 ^a	.630	.614	1.208

a. Predictors: (Constant), GP, FIS, HCB, FA
Source: SPSS data analysis, 2014

The coefficient of correlation (R) measures if there is significant relationship between the four independent variables with dependent variable, the value of R is 0.794 which proves that the relationship among independents and dependent variable is very strong. The coefficient of determination (R²) measures how far the ability of a model in explaining variation of dependent variable. The value of R² is 0.630 shows the linear relationship in this model is able to explain the customer loyalty (Y) for 63% while the rest 37% is explained by other factors not discussed in this research.

Hypothesis Testing

F-test

F-test is used to determine the simultaneous effect of all independent variables to dependent variable. This test is conducted by comparing the f_{count} and f_{table} . If f_{count} is higher than f_{table} , H_0 is rejected and H_1 is accepted.

Table 5. F-test

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	235.909	4	58.977	40.445	.000 ^a
Residual	138.531	95	1.458		
Total	374.440	99			

a. Predictors: (Constant), X₄, X₃, X₂, X₁ b. Dependent Variable: Y
Source: SPSS data analysis, 2014

The level of significant of 0.05 and degree of freedom (df) of 4; 100, the f_{table} from F distribution table is $F_{4; 100; 0.05} = 2.46$, while f_{count} is 40.445 then the result is $f_{\text{count}} > f_{\text{table}} : 40.445 > 2.46$. Since the f_{count} is greater than f_{table} , H_0 is rejected and H_1 is accepted. It means that the independent variables significantly affect the dependent variable simultaneously.

T-test

T-test is used to determine the partial effect of each independent variable to dependent variable. T-test value is obtained by comparing value of t_{count} with t_{table} . If t_{count} is higher than t_{table} , then H_0 is rejected and H_1 is accepted.

Table 6. T-test

Model	T	Sig.
1 (Constant)	.038	.970
Human Capital Building	2.695	.008
Financial Assistance	3.070	.003
Facilities & Infrastructure Support	4.119	.000
Government Policy	2.604	.011

a. Dependent Variable: SMEs Development
Source: SPSS data processed, 2014.

The partial influence for each independent variable will be explained as follows.

1. Human Capital Building (X_1) on SMEs development (Y)
The hypothesis is reject H_0 and accept H_1 if $t_{\text{count}} > t_{\text{table}}$ or accept H_0 and reject H_1 if $t_{\text{table}} > t_{\text{count}}$. In Table 6 the t_{count} of human capital building (X_1) is 2.695. Comparing t_{count} with t_{table} : $2.695 > 1.984$. Since the t_{count} is greater than t_{table} , H_0 is rejected and H_1 is accepted. Therefore, human capital building has a significant influence to small medium enterprises development.
2. Financial Assistance (X_2) on SMEs development (Y)
The hypothesis is reject H_0 and accept H_1 if $t_{\text{count}} > t_{\text{table}}$ or accept H_0 and reject H_1 if $t_{\text{table}} > t_{\text{count}}$. In Table 6 the t_{count} of financial assistance (X_2) is 3.070. Comparing t_{count} with t_{table} : $3.070 > 1.984$. Since the t_{count} is greater than t_{table} , H_0 is rejected and H_1 is accepted. Therefore, financial assistance has a significant influence to small medium enterprises development.
3. Facilities and Infrastructure Support (X_3) on SMEs development (Y)
The hypothesis is reject H_0 and accept H_1 if $t_{\text{count}} > t_{\text{table}}$ or accept H_0 and reject H_1 if $t_{\text{table}} > t_{\text{count}}$. In Table 6 the t_{count} of facilities and infrastructure support (X_3) is 4.119. Comparing t_{count} with t_{table} : $4.119 > 1.984$. Since the t_{count} is greater than t_{table} , H_0 is rejected and H_1 is accepted. Therefore, facilities and infrastructure support has a significant influence to small medium enterprises development.
4. Government Policy (X_4) on SMEs development (Y)
The hypothesis is reject H_0 and accept H_1 if $t_{\text{count}} > t_{\text{table}}$ or accept H_0 and reject H_1 if $t_{\text{table}} > t_{\text{count}}$. In Table 6 the t_{count} of government policy (X_4) is 2.604. Comparing t_{count} with t_{table} : $2.604 > 1.984$. Since the t_{count} is greater than t_{table} , H_0 is rejected and H_1 is accepted. Therefore, government policy has a significant influence on small medium enterprises development.

Discussion

The research is collected data from 100 respondents that were categorized by gender, age and location. The data is taken from the owner of small medium enterprises in rural area of Manado and Minahasa. The result shows those human capital building, financial assistance, facilities & infrastructure support and government policy have positive influence on small medium enterprise development. Based on the hypothesis testing by using F-test and T-test, it is proven that there is linear relationship between independents and dependent variable simultaneously and partially.

Human Capital Building on Small Medium Enterprises Development

The development of small medium enterprises in rural area of Manado and Minahasa is inseparable from the human resource development of the rural entrepreneurs conducted by both central and local government. It is also supported by private parties who participate through promoting the SMEs sector in Manado and Minahasa. Various methods are used as a form of business to improve the quality of human resources of entrepreneurs in rural area such as training, managerial knowledge and various entrepreneurial skills. It is supported with previous study by Marimuthu (2009) which explored that investing necessary resources in developing human capital which tend to have a great impact on performance. The researcher recognizes that if the proponents like human capital building continues to be implemented or even more developed to the small medium enterprises in rural areas of Manado and Minahasa, it will be a great advantage, especially in order to boost the development of small medium enterprises in rural areas of Manado and Minahasa.

Financial Assistance on Small Medium Enterprises Development

The essential of financial access has been experienced by small medium enterprises in rural areas of Manado and Minahasa. Based on the previous research by Srinivas (2013), it found that financial assistance plays a vital role to small medium enterprises because SMEs have been considered as the engine of economic growth. The researcher finds that financial assistance has contributed greatly to the development of SMEs in rural areas of Manado and Minahasa. Financial access such as loans or funds provision from the government or various financial institutions for financing SMEs will ensure effective entrepreneurial development in rural areas of Manado and Minahasa.

Facilities & Infrastructure Support on Small Medium Enterprises Development

The role of facilities and infrastructure is crucial to support small medium enterprises development in rural areas of Manado and Minahasa. The partial test result shows facilities and Infrastructure Support as the dominant influence compared with the other variables that influence small medium enterprise development in rural area of Manado and Minahasa. This proponent should be a serious concern for rural entrepreneurs, including central and local government in Manado and Minahasa in particular, it is similar with Agwu & Emeti (2014) which stated facilities and infrastructure support should be delivered by government or private institutions, in order to support the activities of SMEs in rural area. The provision of public utilities and Infrastructures (power supply, water supply, good transport / communication facilities, etc.) are things that can sustain the development of small medium enterprises in rural areas of Manado and Minahasa significantly.

Government Policy on Small Medium Enterprises Development

The previous study by Jahanshashi (2011) which stated the role of government policy in Small Medium Enterprises is very crucial. The researcher finds that the policies were made both central and local governments in the form of business taxation, market commodity prices and fuel policy influence the existence and development of small medium enterprises development in rural areas of Manado and Minahasa. It is obvious that the proponents such as human capital building, financial assistance, facilities and infrastructure support, government policy have significant contribution on small medium enterprise development in rural area of Manado and Minahasa. The research also shows facilities and infrastructure support as the dominant influence compare with the other variables that influence small medium enterprise developmen. Since financial assistance follows facilities and infrastructure support as the most influence factor, it means that physical proponents play the big role on SMEs development in rural area of Manado and Minahasa.

CONCLUSION AND RECOMMENDATION

Conclusion

The final conclusions in this research are:

1. Human capital building, financial assistance, facilities & infrastructure support, and government policy have significant influence on small and medium enterprises development simultaneously
2. Human capital building has a significant influence on small medium enterprises development partially
3. Financial assistance has a significant influence on small and medium enterprise development partially
4. Facilities & infrastructure support has a significant influence on small medium enterprise development partially
5. Government policy has a significant influence on small medium enterprise development partially

Recommendation

In order to enhance the development of SMEs in rural area of Manado and Minahasa, those four proponents should be concerned intensively. The few things that must be considered by the government and private institutions related to these four proponents, including:

1. Keep enhancing the human resources quality of entrepreneurs in rural area of Manado and Minahasa through various capacity building program such as training, managerial knowledge and various entrepreneurial skills.
2. Expanding the accessibility of finance. Easy access for finance (banks or microfinance institutions) and availability of financial assistance such as loans or funds program from the government or financial institutions for financing SMEs will ensure effective entrepreneurial development in rural area of Manado and Minahasa.
3. Improving the provision of public utilities and Infrastructures (power supply, water supply, good transport / communication facilities, etc.). This proponent is really essential to concerned because related with the study result, facilities and infrastructure support has the dominant influence to small medium enterprises development in rural area of Manado and Minahasa.

4. Establishing a friendly environmental condition for rural enterprises in Manado and Minahasa through creating integrated government policy that ensure the development of Small Medium Enterprises in rural area of Manado and Minahasa.

REFERENCES

- Agwu, Mba O., Emeti, Cletus I. 2014. Issues, challenges and prospects of Small and Medium Scale Enterprises (SMEs) in Port-Harcourt City Nigeria. *European Journal of Sustainable Development*. ISSN: 2239-5938, volume 3, no.1, Retrieved from: <http://www.ecsdev.org/images/V3N1/agwu%20101-114.pdf>. Accessed on June 7th 2014. Pp.101-114.
- Abdullah, H. 2009. Definitions of HRD: Key Concepts from a National and International Context. *European Journal of Social Sciences*, Volume 10, No. 4, Retrieved from: http://online.regenesys.net/pluginfile.php?file=%2F24041%2Fmod_resource%2Fcontent%2F1%2F%2F%2FAbdullah_Definitions%20of%20HRD.pdf. Accessed on June 7th 2014. Pp. 486-495.
- Ahmad, A. R., Yusoff, W. F. W., Noor, H. M., Ramin, A. K. 2011. Preliminary Study of Rural Entrepreneurship Development Program in Malaysia. *International Conference On Management (ICM)*. Retrieved from: http://www.internationalconference.com.my/proceeding/icm2011_proceeding/042_350_ICM2011_PG0537_0546_ENTREPRENERUSHIP_DEVELOPMENT.pdf. Accessed on May 28th 2014. Pp.537-546.
- Atchoarena, D., Gasperini, L. 2003. *Education for rural development: towards new policy responses: a joint study conducted by FAO and UNESCO*. Rome, Italy: FAO and UNESCO/IIEP Pub. Retrieved from: <ftp://ftp.fao.org/docrep/fao/006/ad423e/ad423e00.pdf>. Accessed on May 28th 2014.
- Chandler R.C., Plano J.C. 1988. *Public administration; Dictionaries*. 2nd edition: 102-633-264. ABC-Clio. Santa Barbara, California.
- Department of SME Cooperative. 2004. *Grafik UMKM Indonesia*. Jakarta. Retrieved from: http://www.depkop.go.id/phocadownload/data_statistik/statistik_UKM/narasi_statistik_umkm%202008-2009%20-%20komplittbl%20grafik_tanpa%20pemerintah.pdf. Accessed June 7nd 2014.
- Glos, R. E., Lowry, J. R., Steade, R. D. 1980. *An Introduction to Business*. South-Western Pub. Cincinnati, USA.
- Griffin, R. W., Ebert, R. J. 2006. *Business (Eighth Edition, Custom version for central Texas Collage*. Prentice Hall. United State.
- Hallberg, K. 2000. *A Market-Oriented Strategy for Small and Medium Scale Enterprises*. World Bank and IFC Publishing. Washington DC. Retrieved from: http://siteresources.worldbank.org/INTEXPCOMNET/Resources/Hallberg_2000.pdf. Accessed on June 2nd 2014.
- Ishikawa, M., Yamada, H. 2002. *Maintaining and Developing an Infrastructure for Manufacturing: Policy Proposal Based on an Interview survey of 16 leading Small and Medium Sized Manufacturing Companies*. The Japan Research Institute. Retrieved from: <http://www.jri.co.jp/MediaLibrary/file/english/release/2002/0522.pdf>. Accessed May 27th 2014.
- Jahanshashi, A. 2011. The relationship between government policy and the growth of entrepreneurship in the micro, small & medium enterprises of India. *The journal of technology management & innovation*. Universidad Alberto Hurtado, ISSN: 0718-2724, Volume 6, No.1, Retrieved from: <http://www.scielo.cl/pdf/jotmi/v6n1/art07.pdf>. Accessed on May 27th. Pp. 67-76.

- Khan, M. T. 2012. Entrepreneurship Development: One of the Ways of Rural Development through Rural Human Resource Development. *International Journal of Business and Behavioral Sciences*. Vol. 2, No.8, Retrieved from: http://cprenet.com/uploads/archive/IJBBS_12-1166.pdf. Accessed on May 29th 2014.
- Marimuthu, Maran. 2009. Human capital development and its impact on firm performance: evidence from developmental economics. *The journal of international social research*. Volume 2(8), Retrieved from: http://www.sosyalarastirmalar.com/cilt2/sayi8pdf/marimuthu_arokiasamy_ismail.pdf Accessed on May 27th 2014. Pp. 266-272.
- Neti, B. 2009. Analysis of the relief of capital and credit micro for the group of entrepreneur. *International E-Journal for Economics*, Volume 2, No.3, Retrieved from: <http://www.ijbssnet.com/journals/Vol.2.No.3.December.2009.pdf>. Accessed on June 3rd 2014. Pp. 1-15.
- Oduyoye, O. O., Adebola, S. A., Binuyo, A. O. 2013. Empirical Study Of Infrastructure Support And Small Business Growth In Ogun State, Nigeria. *Journal of Research and Development*. Volume 1, No. 1, Retrieved from: <http://omicsonline.com/open-access/empirical-study-of-infrastructure-support-and-small-business-growth-in-ogun-state-nigeria.pdf>. Accessed on May 28th 2014. Pp.14-22.
- Peters, B. G. 1982. *American Public Policy*. Franklin Watts Ltd. New York, USA.
- Saunders, M. L., Thornhill, L. 2009. *Research Method for Business Students*. Pearson Education Ltd. Harlow, England.
- Sekaran, U., Bougie, R. 2009. *Research Methods for business 5th ed*. John Wiley & Sons Ltd. United kingdom.
- Schultz, T. W. 1993. The economic importance of human capital in modernization. *Education Economics. Routledge Journal of Economics*. ISSN-0964-5292. Volume I, No.1, Retrieved From: <http://www.andfonline.com/doi/abs/10.1080/09645299300000003>. Accessed on June 3rd 2014, Pp13-19.
- Srinivas K. T. 2013. A Study On Financial Assistance To Small Aand Medium Enterprises by ksfc. *International Monthly Refereed Journal of Research In Management & Technology*. ISSN-2320-0073, Volume 2. Retrieved from: <http://www.abhinavjournal.com/images/Management & Technology/Nov13/3.pdf>. Accessed on May 27th 2014, Pp. 20-30.
- Sullivan A., Sheffrin, S. M. 2003. *Economics: Principles in action*. Pearson Prentice Hall. Upper Saddle River, New Jersey.
- Tambunan, T. 2008. Trade Liberization effects on the development of small and medium-sized enterprises in Indonesia: A case Study. *Asia-Pacific Development Journal*. Vol. 15, No.2. Retrieved from: <http://www.unescap.org/sites/default/files/apdj-15-2-3-Tambunan.pdf>. Accessed on June 7th 2014
- The Bureau of Indonesian Statistic. 2014. *SMEs Statistic of National GDP and Job Employment*. Retrieved from: http://www.bps.go.id/brs_file/pdb_05nov12.pdf. Accesed June 11th 2014.