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### Social Entrepreneurship: An Alternative Solution Todependency of Poor Families in Karangasem Bali

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**Abstract:** The entrepreneurial ventures of poor families needs to be done immediately to accelerate the eradication of poverty. However, the implementation in each group of people is not easily done because of the varied social and cultural characteristics of society. Therefore, this research was conducted in some communities in Bali with the aim to analyze (1) the contribution of poor households'capacity to their empowerment, (2) the influence of the values of entrepreneurship on the attitudes of poverty (3) the influence of cultural values to the values of entrepreneurship in the poor households.

This study was conducted in Karangasem using survey methodology. The unit of analysis was 8,577 households as the population. The data collection was conducted from a sample of 150 respondents of poor households, which was determined by using the Slovin method. Data were analyzed by using quantitative techniques, frequency tabulation and cross tabulation, and qualitative descriptive analysis.

The research results showed that all indicators of the capacity of poor households (RTM) were included into poor or disadvantaged categories. This can be seen both from the aspect of education levels and aspects of asset ownership, which are still quite low. In addition, the empowerment of poor households also remained at a weak level. This relates to both the improvement of knowledge, accessibility, participation in social and economic activities, and the increase in income. However, the poor households showed a positive value in terms of the value of entrepreneurship, both from the attitude, motivation, creativity, and innovation to escape poverty. It is supported by the skills in providing products, local knowledge, improving the environment, and the lack of raw material constraints as factors of production. The results of this study also showed that the factors of motivation and creativity had the dominant influence on the attitude of poor households to get out of poverty. This is shown by the majority of poor households that stated that they were not happy about their economic condition, and their satisfied statements about the skills of making places of worship (shrine), because these skills were perceived as a means of possessing high ritual value in their religious life and daily routines.

**Keywords:** Capacity, empowerment, and the attitude of poor households, the value of entrepreneurship, and cultural values.

## INTRODUCTION

Since Law Number 23 of 2014 was enacted, each region at the provincial and district levels and/or the city is expected to explore the potential of the region, in an effort to increase local revenue and be able to handle any problems that arise as a result of development activities. Good potential exploration area, which can be used as power or superiority, as well as a potential obstacle or weakness, is a valuable input for designing the strategy in achieving the development goals that have been set.

One of the important resources owned by a region is the population. The existence of population in an area hold a dual role. On the one hand, a large population is a potential capital as the subject of development. But on the other hand, it also has the potential to cause problems. A large population can cause problems if it is not handled properly, so the development is increasingly burdened by problems, such as high dependency due to increased birth, low quality of the population, and a higher unemployment rate, which in turn creates poverty in both urban and rural areas. The emergence of slums in the big cities, as well as emerging luxury residential areas in the countryside, are the clear evidence of poverty (Alisjahbana, 2005).

Poverty is not something that stands alone, but is realized as a result of interaction between the various aspects of human life, especially the social and economic aspects (Suartha, 2013). When these two aspects are not handled properly, it can cause social unrest that could ultimately threaten national security. The handling of poverty not only uses the economic approach, because poverty is also strongly influenced by the powerlessness of the public in various social and cultural aspects. Poverty eradication measures are more residual. In a short time, poverty is not an individual problem but a structural one, due to such factors as inequality in society, injustice, as well as the limitation of access.

Poverty for the Indonesian government is a major problem, given that 13.33 percent of the total population is categorized as being poor. Similarly, the Province of Bali, even though it has a higher per capita income than other parts of the country, still has problems. In Bali, an increase in income started from Rp.16,21 million in 2010 and increased to Rp.23,31 million in 2013, and rose sharply in 2014 to Rp. 25.88 million. But Bali still had a poverty rate which is 5 percent of the total population (BPS Central Bureau of Statistics Bali, 2015).

It can be seen from the distribution of poor people in the Province of Bali by the regency showed a variation (Table 1). The table shows the Regency of Karangasem, located at the eastern tip of the island of Bali, has the highest percentage of its population classified as being poor and the highest proportion of poor households (RTM) if compared to other regions. The empowerment of the poor through sectoral and regional programs has been done. But it was less effective and not well targeted, because it was implemented partially, and it lacked monitoring and was unsustainable. The program did not correspond to the short-term needs of poor local people. Rather, it led to changes in the structure of society, such as farmers switching to project labor workers or becoming janitors. Sadly, some even became beggars.

The Village Community Empowerment Board (BPMD) of Karangasem (2011), in its publication, mentioned that among the poor, there was a presumption that the beggar earned higher incomes than the laborer to get instant wages. Their attitude that only accepts a poor state as a destiny, causing an aversion to getting out of poverty. In addition, the persistence of the habits of the people doing unproductive activities such as gambling, drunkenness, etc., are a common sight that always appear in this area. These conditions,

**Table 1**  
**Number and Proportion of Population of Poor Households in Bali By Regency /**  
**City in the Year of 2011-2014**

Regency/ City (1)	Total of poor population (000 people)			Poor Population (%)			Poor Household (%)
	2011 (2)	2012 (3)	2013 (4)	2011 (5)	2012 (6)	2013 (7)	2014 (8)
1. Jembrana	17.6	15.3	14.9	6.56	5.74	5.56	8.13
2. Tabanan	24.2	21.0	22.5	5.62	4.90	5.21	10.94
3. Badung	14.6	12.5	14.5	2.62	2.16	2.46	2.60
4. Gianyar	26.0	22.6	20.8	5.40	4.69	4.27	7.49
5. Klungkung	10.7	9.3	12.2	6.10	5.37	7.01	18.32
6. Bangli	11.4	9.9	12.0	5.16	4.52	5.45	24.62
7. Karangasem	26.1	22.7	27.8	6.43	5.63	6.88	33.66
8. Buleleng	37.9	33.0	40.3	5.93	5.19	6.31	26.28
9. Denpasar	14.5	12.7	17.6	1.79	1.52	2.07	1.53
B A L I	183.1	158.9	182.8	4.59	3.95	4.49	12.96

Source: BPS Central Bureau of Statistics of Bali Province, 2014

added with consumer habits, do a lot of things that are less useful. If this is not immediately addressed, it can result in the creation of a persistent poverty mentality, which is increasingly a condition of chronic poverty.

In relation to poverty alleviation, it takes a change in attitude and behavior change, because of their acceptance of the situation (surrender) is a reflection of poor families. Attitude theory developed by Fishbein and Azjen (1975 in Schiffman and Kanuk, 2007) revealed that the behavior is determined by one's attitude. Attitude will be easier to perform certain actions when it has had a positive attitude towards the behavior itself. Changes in behavior is a brief attempt to improve the empowerment of the poor households. Entrepreneurship, which is a shortcut to alleviate poverty, is seen as a way to escape poverty through the potential of poor families.

Karangasem people as well as the island of Bali, are predominantly Hindu, who have the philosophy of life "Tri Hita Karana," which means a balanced life through a harmonious relationship between man and God, man to man, and man and the environment. To realize this balance, people always conduct the ritual through the offerings of *banten* (*canang* with miscellaneous ritual items and *sampaian* even with various shapes and uniqueness; It needs ritual paraphernalia that are urgently needed by the people every day as a ritual activities). This is true especially for busy families, whether they work in an office, or those who are working outside the village or town. The fulfillment of ritual paraphernalia is very difficult. This means it creates opportunities for poor families to utilize the time to produce ritual paraphernalia needs, considering the market potential has been formed. *Rainan* day (the day of offerings that are mandatory) among the people of Bali in a month namely *Purnama* (full moon), *Tilem* (dead moon), *Budha Kliwon*, *Anggara Kasih*, *Kajang Kliwon* and *Tumpeke*; requiring *canang* and ritual paraphernalia in addition to the ceremonies performed every day.

The demand of raw materials for the making of ritual paraphernalia is available in the surrounding rural environment, such as leaf, flower, foliage, bamboo and others. Similarly, means of offerings in the

form of a *tumpeng* (cone-shaped solidified rice), snack, in various forms, with raw materials readily available in rural areas. This condition is very favorable for poor families if they utilize the time to change their attitude to start entrepreneurship in the form of a business of ritual offerings or a miscellaneous need for rituals, such as *canang*.

Entrepreneurial ventures in a poor family environment become an important requirement to be done in the context of poverty. This is easily done by the community, given the local knowledge possessed by Balinese society in general. This knowledge has the possibility of creating a business. Based on the above description, then research was conducted to examine: (1) the contribution of domestic capacity towards the empowerment of the poor; (2) the effect of the value of entrepreneurship on the attitude of poverty for poor families; and (3) the influence of cultural values on the values of entrepreneurship in poor families.

Three objectives can be achieved based on the concept of the relationship between entrepreneurship and poverty. In these relationships, internal factors were a very dominant influence on poverty. Internal factors such as (1) demographic characteristics e.g. age, gender, education, household size, employment, income; (2) motivation; (3) perceptions; (4) the culture of individuals, such as laziness and those who did not want to take advantage of the capabilities, not discipline, preferring to ask for something rather than working for it. From these explanations, it can be described within the framework of thinking as the figure below.

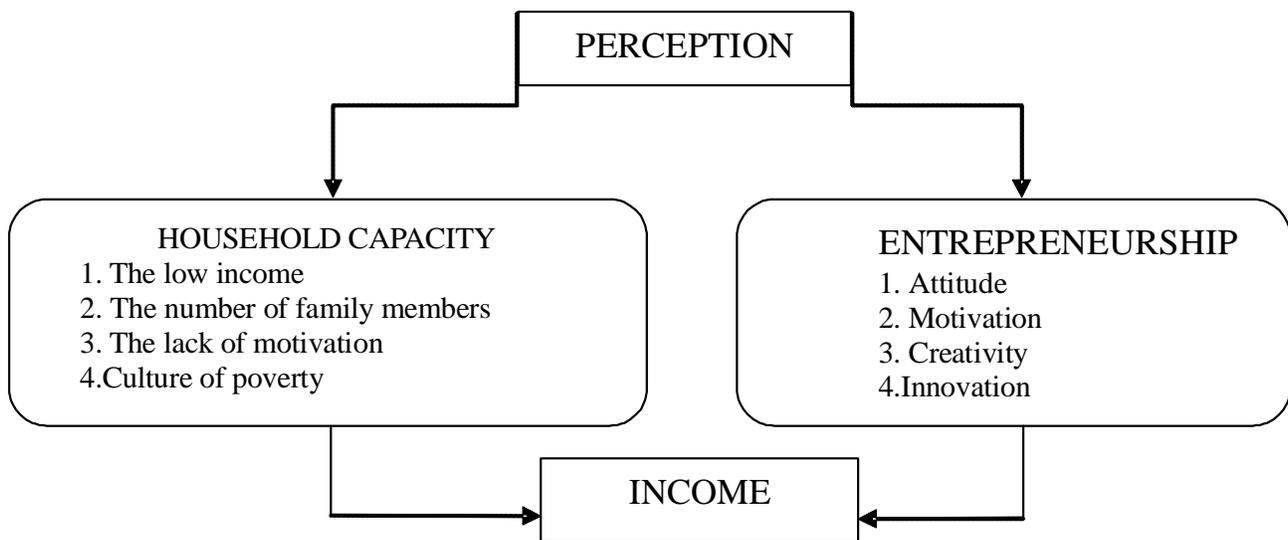


Figure of the Thinking Framework

The capacity of the household is a characteristic of poor households. Other elements include education, income, family size, number of dependents, and the ownership of assets. Household characteristics can affect the mental attitude toward poverty. Tricahyono research results (2010) in the Sub-District of Paseh, Bandung Regency, West Java, found that the mental attitude of people significantly effects poverty. Lewis (in the Suharto Edy 2009) states that poor people have habits that differ from the general population. Negative attitudes, such as: lazy, fatalistic or surrender to fate, lack of entrepreneurial spirit and lack of respect for the work ethic. The stance taken by the household will give effect to the empowerment.

Culture is the set of values, beliefs, and habits acquired or learned, received by a particular society from generation to generation as a unit which helps guide the behavior of its members. These values serve as a guide for the people to behave as a form of attitude through setting norms prevailing in a particular place. A cultural value system is the most abstract level of customs. Customs consist of conceptions, which live in the minds of the public, about the things that they consider to be very valuable in life.

Koentjaraningrat (2009) states that mental attitude is rooted in cultural value systems, such as orientation to the past, reliance on a group and the lack of self-confidence. The diversity of the mental attitude of Indonesian society is because of the diversity of the culture of the nation of Indonesia. Results of research of Satriawan (2008) found that poverty of people in the fishing village of Labuhan Kuris was greatly influenced by the values and traditions adopted as their views on the meaning of life, their views on the work function and a work culture in which they live. They did not have a strong motivation to try and they had a weaker work-ethic.

The success of a poor family to get out of poverty depends on the attitude of the family itself. Their poor mental attitude (negativity) will slow down the process of a family in getting out of poverty. Based on the report of the Village Community Empowerment Board (BPMD) of Karangasem (2011), poverty in this regency was not solely due to the natural and cultural factors, but due to the poor mental attitude of society. Public attitudes of surrender to the circumstances experienced, and unwilling or lazy to work resulting in difficulty of households to get out of poverty. It is in need of empowerment.

The concept of empowerment was more directed to the learning process of the poor in changes in knowledge, attitudes, and behavior of the poor to be more constructive. Empowerment phase began on 1) the stage of awareness through the dissemination program, 2) phase of capacity through education and counseling, and 3) the stage of empowerment through the provision of assistance and 4) evaluation. The implementation of poverty alleviation often fails due to the actions that were more focused on social assistance and the generosity of the government such as funding, which is better known as direct financial assistance (BLT). Therefore, prevention through empowerment programs should first determine the cause of poverty in an area. Thus, an empowerment program is able to provide a stimulus to change the factors causing poverty such as technical assistance and capital. This is because of the statement of Mandela, 1995 (Gina, 1996) that empowerment depends on the ability of communities to meet their own needs, because poverty reflects the lack of choice for someone.

## **METHOD AND RESEARCH DATA**

The study uses the participation methods, which views poor people themselves, and involves them in the decision to define the magnitude of poverty. The approach adopted was from the concept of participatory rural appraisal (PRA), in which researchers looked at the local community as having the ability to share, plan, and act. These methods are practically divided into three categories, namely (1) associating with self-determination and empowerment; (2) improving the efficiency of the program; and (3) emphasis on mutual learning. It is intended to determine the values of entrepreneurship, so that it can describe the ability, a person's behavior in facing challenges, and seeking opportunities involving various risks.

Entrepreneurship is considered capable of motivating themselves to be able to formulate a purpose in life. Therefore, in exposing entrepreneurship, it refers to the opinion of Peter F. Drucker and Schumpeter

(Suryana, 2013) which searches for variations of entrepreneurial values of each person, depending on the 8 capabilities, namely: 1) to formulate the purpose of life; 2) motivate themselves; 3) initiative; 4) creativity and innovation; 5) forms of social capital, financial and intellectual; 6) set the time; 7) mental capacity; and 8) ability to familiarize themselves in the decision making of the good or bad experiences.

Research was conducted using survey methodology. The unit of analysis is the head of poor households (RTM) as members of the population. The study was conducted in Karangasem Regency, chosen because the population was the highest (8,577 populations of poor households) in Karangasem Regency. In addition, the region has the highest number of poor households in the island of Bali. The sample of respondents was determined by the method of non-probability sampling from every village of 150 heads of households distributed proportionally based on the methods of Slovin by the formula:  $N = n/N(d)^2 + 1$ . Data collection by cross section used a list of questions, which was further analyzed using quantitative and qualitative methods.

## **RESULTS AND DISCUSSION**

### **1. Capacity of Poor Households**

Review of aspects of the capacity of poor households partially, from the level of education, the number of members of poor households, number of dependents, income and asset ownership; it appears that each is a lower proportion of each category (Table 1). The table showed that the majority of poor households (74.0%) have low education (completed and not completed primary school). Even some were unschooled. It is clearly one of the causes poverty.

When examined from the aspect of the number of family members and the number of dependents, it appears that most of the poor households (53.33%) have 4 -7 family members (Table 1). That is, that in poverty, they need a lot more money for basic subsistence — food, clothing, and shelter. As with the number of dependents of poor household, in fact the vast majority (58.0%) have a relatively small number of dependent (1-3 people). This is because some members of the household had to build their own household to reduce the burden borne by their parents.

One of the crucial characteristics of poverty is income. The proportion of poor households in this area was mostly (75.55%) characterized by their low income (less than Rp. 900,000, - per month). The revenue was much lower than the amount of the regional minimum wage (UMR) in the Province of Bali. This means they were living on an income that was insufficient to meet their basic needs. This was supported by data that the majority (75.55%) of poor households had low income (less than Rp. 900,000, - per month), while the proportion of poor households who had less expenditure of Rp. 900.000, - per month, was even larger (92.08%). When compared with the proportion of poor households by expenditure per month, it can be shown that the amount of income per month was not sufficient.

Insufficient revenues were pressuring some of their daily lives, forcing people to seek loans. In reality, most of the poor households (38.90%) used their earnings to pay the debts, after fulfilling the daily basic needs (Table 2). Although they live in poverty, they still had an awareness of children's education and strong religious beliefs. This can be seen from large amount of spending for school fees (30.20%) and for the cost of traditional and religious ceremonies and social activities (25.20%). As a result of the amount of the income for repaying the debts, school fees and the cost of activities and social rituals, the majority (58 %) of poor households, based on ownership of assets, had little assets, which were valued at less than Rp. 300.000, -

**Table 1**  
**Poor Household Composition according to Capacity Indicators 2015**

<i>Num.</i>	<i>Capacity indicators</i>	<i>Total</i>	<i>Percentage</i>
<b>a.</b>	<b>Education</b>		
1.	Unschooler not completed Primary School	69	<b>46,00</b>
2.	Primary School graduates	42	28,00
3.	Secondary School graduates	34	22,67
4.	High school graduates	5	3,33
	Total	150	100,00
<b>b.</b>	<b>Number of family members (person)</b>		
1.	1 - 3	60	46,67
2.	4 - 5	64	42,67
3.	6 - 7	14	9,33
4.	>7	2	1,33
	Total	150	100,00
<b>c.</b>	<b>Number of Dependents (person)</b>	Total	Percentage
1.	1 - 3	87	58,00
2.	4 - 5	55	36,67
3.	6 - 7	6	4,00
4.	>7	2	1,33
	Jumlah	150	100,00
<b>d.</b>	<b>Income per month (Rp)</b>	Total	Percentage
1.	< 300.000	25	18,00
2.	300.000 – < 600.000	38	27,33
3.	600.000 – < 900.000	42	30,22
4.	900.000 – < 1.200.000	28	20,14
5.	1.200.000 +	6	4,31
	Total	150	100,00
	<b>Expenditure per month (Rp)</b>	Total	Percentage
1.	< 300.000	32	23,02
2.	300.000 – < 600.000	47	33,81
3.	600.000 – < 900.000	49	35,25
4.	900.000 – < 1.200.000	6	4,32
5.	1.200.000 +	5	3,60
	Total	139	100,00
	<b>Income Spending</b>	Total	Percentage
1.	Repaying the debts	54	38,90
2.	School fees	42	30,20
3.	Traditional ritual/social activities	35	25,20
4.	Personal needs/hobby	5	3,60
5.	Others	3	2,10
	Total	139	100,00
	<b>Estimated Value of Assets (Rp.)</b>	Total	Percentage
1.	< 200.000	44	29,33
2.	200.000 – < 300.000	43	28,67
3.	300.000 – < 400.000	36	24,00
4.	400.000 – < 500.000	30	20,00
5.	≥ 500.000	7	4,67
	Total	150	100,00

Descriptively, the capacity of poor households, based on all indicators, showed the condition of poor rural households. From the level of education to the ownership of assets, they were below average (Table 3). The data in the table show that the capacity of poor households was concentrated on the value of 2 and 3, which overall had a mean score of less than 3. This means that the capacity of poor households is a set of conditions under the average, low or poor.

**Table 2**  
**Household capacity distribution in Karangasem Regency in 2015**

Num.	Indicator	Symbol	Frequency distribution (percentage) N=150					Mean Score
			1	2	3	4	5	
1.	Education	X1.1	14,7	<b>31,3</b>	28,0	22,7	3,3	2,69
2.	Family members	X1.2	0,0	9,3	<b>42,7</b>	38,0	10,0	2,51
3.	Dependents	X1.3	0,0	4,0	36,7	<b>52,0</b>	7,3	2,37
4.	Income	X1.4	24,0	25,3	<b>28,0</b>	18,7	4,0	2,53
5.	Asset ownership	X1.5	22,7	<b>28,7</b>	24,0	20,0	4,7	2,55

This condition is certainly not good for poor families considering their educational level is low; i.e., below Secondary school. The average income received was also low at 500,000 / month and so was the ownership of assets. However, considering the fact that the number of family members on average is 4-7 people; they are potential resources owned by the poor if it is associated with the research, most of which would take time to productive activities as businesses increase family income and support the observation of researchers in the area of Sading, Badung. For instance, everyone from adolescence to adulthood is capable of producing 150 sets of Canang offerings. If only this poor family would use their time with the number of families, the Canang offering produced can reach 1000 pieces that cost Rp 800 / piece. During big holidays it rises to Rp.1000 / piece. If this is done by the poor households, they can quickly escape the circle of poverty.

## 2. Contribution of Poor Households' Capacity to Empowerment

As has been stated previously, the capacity of poor households in the research area, based on all indicators, was categorized into sufficient to moderate capacity. Both in terms of the level of education and the increase in revenue, only the ownership of assets at the conditions under the average of 2.89 were examined (Table 3). All indicators of the level of empowerment of the poor households in the Regency of Karangasem, i.e., increased knowledge, improved accessibility, increased participation in social and economic activities, as well as increased income, indicates the level of empowerment of poor households is at a medium level and even there are positive indicators, especially in households trying to use their spare time to participate in economic activities in order to increase revenue. This indicates that the empowerment of poor households is still in reasonably good condition.

The positive attitudes from poor families in Karangasem to immediately be able to get out of the complexity of this poverty, would be important for the researcher. Given the local knowledge possessed of Balinese society in general, moreover Karangasem is a society that upholds the culture and customs; the

**Table 3**  
**Distribution of Poor Household Empowerment in the Regency of Karangasem 2015**

Num	Indicators	Symbol	Frequency distribution (percentage) N=150					Mean Score
			1	2	3	4	5	
1	Increased knowledge	Y2.1	0,0	11,3	40,0	38,0	10,7	3,28
2	increased accessibility	Y2.2	0,0	16,0	38,0	35,3	10,7	3,40
3	Participation in economic social activity	Y2.3	0,0	22,0	34,0	31,3	12,7	3,33
4	Extra income	Y2.4	0,0	16,7	36,7	36,0	10,7	3,39
5	The addition of asset ownership	Y2.5	0,0	25,3	60,7	14,0	0,0	2,67

opportunity to increase family income through productive business activities can be realized. Attitude is very important in making the change. It has been mentioned in the research of Rahayuningsih (in Mussawir, 2009), which showed that 85% of the success of a person or group of people is achieved due to their attitude, while the remaining 15% is determined by their ability.

### 3. Contribution of empowerment in increased empowerment poor households

Total assets held after empowerment have not improved significantly. This involves the ability to buy small commodities, such as the purchase of goods for daily needs (rice, kerosene, cooking oil, spices and others). Similarly, the purchase of large commodities or the ability to buy secondary or tertiary goods, such as TV, radio, mobile phones, and clothing for poor households was not possible. Community empowerment is not easy to do given the limitations that are owned by poor households. The results of the study also supports the idea of Ghosh (2002), which states that poverty in rural areas is due to the misallocation of resources and development strategies.

The second phase of empowerment is the capacity that provides skills training and productive economic assistance in order to an attitude of entrepreneurship. This is in accordance with the opinion of Benediktus (2010) that the alleviation of poverty through increased “entrepreneurial spirit” is the most effective empowerment for the entrepreneurship program capable of creating jobs and increasing incomes. Variable distribution of empowerment can be described as shown in Table 4.

The above table shows that empowerment is not perceived well by the respondents because three of the four indicators have an average value below 3. That means that the government empowerment considered by the respondent has not been able to increase awareness, capacity, and people’s empowerment, unless a continuity program was sufficient because it had a mean score slightly above 3.

### 4. Effect of Enterprise Value to the Attitude of Poverty

The alleviation of poverty through improvement of the entrepreneurial spirit was the most effective empowerment, because implementing entrepreneurship programs was capable of creating jobs and increasing investment. This occurs if the government helps poor families, namely those who are not in the labor

**Table 4**  
**Variable Frequency Distribution of Empowerment in Karangasem Regency 2015**

No.	Indicator	Symbol	Frequency distribution (percentage)					Mean Score
			N=150					
			1	2	3	4	5	
1.	Awareness	X3.1	12,7	25,3	31,3	23,3	7,3	2,57
2.	Capacity	X3.2	16,7	20,7	31,3	22,7	8,7	2,66
3.	Empowerment	X3.3	10,7	25,3	36,7	26,0	1,3	2,72
4.	Continuity Program	X3.4	7,3	25,3	34,0	23,3	10,0	3,00

force, and for those who have received training in entrepreneurship (Benediktus, 2010). Empowerment is defined as any attempt to free the poor from the shackles of poverty that results in a situation where the economic opportunities are closed to them, because poverty is happening not naturally per se, but rather is the result of various factors relating to power and policy. That is why empowerment must involve both factors.

The values of entrepreneurship in this study measured from the attitude to get out of poverty, motivation, creativity and innovation from poor households, was positive. This is supported by the skill of members of poor households to produce local wisdom, and supported by the environment and the factors of production, especially if there is no obstacle to the availability of raw materials.

**Table 5**  
**Distribution of attitude to get out of Poverty in Karangasem Sub-District in 2015**

Num.	Indicators	Symbol	Frequency of Distribution (percent)					Mean Score
			N=150					
			1	2	3	4	5	
1	Poverty can be changed	Y1.1	10,0	23,3	38,7	22,0	6,0	3,11
2	Poor because of destiny	Y1.2	11,3	23,3	34,7	24,0	6,7	2,91
3	Believe that they could get out of poverty	Y1.3	10,7	22,0	36,7	24,7	6,0	2,93
4	Having intention of get out of poverty	Y1.4	2,7	15,3	41,3	36,7	4,0	3,24
5	Working hard to alleviate poverty	Y1.5	4,0	20,7	53,3	14,7	7,3	3,01
6	Able to overcome poverty	Y1.6	7,3	22,0	36,0	26,7	8,0	3,06

Table 5 shows that most of the six indicators of the attitude variables have a score above 3, while only two indicators have a score below 3. This means that the four indicators show the confidence of poor households to get out of poverty is quite high. Two of the indicators under 3 were poverty because of fate and the belief of the difficulty of poor households to escape the poverty cycle. However, four indicators showed that they have strong desire and optimism to break out of poverty. This is associated with the

theory of “entrepreneurs” — the ones who wish to have a dream and beliefs (optimism) as well as the courage to make good changes will succeed. Referring to these definitions then it can overcome the complexity of poverty, since there are three indicators that support the entrepreneurial spirit, namely:

- (a) Optimism that poverty can be changed; their optimism can be beneficial for poor households to immediately change what is being experienced for better lives if it is supported on the following attitudes.
- (b) Having the intention to get out of poverty; their intention to get out of poverty indicates their desire to get out of the comfort zone, that poor families must have received help from the government. The government has a responsibility towards poverty. Unfortunately, it was not the reality that the data on poverty in each region is often changing. Poor families who previously could receive assistance from the government, and in the following year were no longer listed on the local data of poor families.
- (c) Working hard to alleviate poverty, this indicates the poor households’ motivation to get out of the poverty cycle. Motivation is the main capital in fostering the entrepreneurial spirit. This is manifested by working hard by using more of their spare time to increase the income of the family. The main jobs of the respondents are farmers or laborers, so that they had plenty of free time. If the free time is utilized for productive activities, then it could increase the family income.
- (d) Able to overcome poverty; their optimism will enable the poor households to get out of poverty, because optimism in fostering the entrepreneurial spirit is the element to realize the ideals.

### 5. Effect of Cultural Values on the Entrepreneurship Value of Poor Households

The poverty mentality tends to have more negative connotations that include values, beliefs, habits or behaviors that cause a person difficulty to get out of poverty. Culture or mentality here was measured by four indicators and the results have been presented in Table 6. The poverty situation generally made the poor families of respondents feel quite inferior and generally expected others or parties for help. Interestingly, they seemed to be quite consumptive. It turned out the real condition that the researcher gained in the field demonstrated the opposite situation, as the following table indicates.

**Table 6**  
**Distribution of Cultural Variable Frequency in the Sub-districts of Karangasem and Manggis in 2015**

Num.	Indicators	Symbol	Frequency distribution (percent)					Mean Score
			N=150					
			1	2	3	4	5	
1.	Being poor not to be inferior	X2.1	14,0	26,0	32,0	24,0	4,0	3,38
2.	Not Expecting help from others	X2.2	0,7	18,0	36,0	33,3	12,0	3,38
3.	helpless to poverty	X2.3	17,3	34,0	24,7	18,0	6,0	2,61
4.	Consumptive	X2.4	8,0	22,7	32,0	30,7	6,7	2,05

The data show that the overall distribution of respondents tends to be concentrated on the value of 2-3 and each indicator has a mean score above 3, except the third indicator. The indicators indicate that being poor did not make the poor households have low self-esteem or feel inferior. This is not entirely true if seen from the theory of poverty proposed by Athur Lewis that the poor have an attitude of inferiority, even though the poor do not always expect help, the government provides help just because of regulation. What is interesting was the presence of two indicators, namely indicators of resignation to poverty and the consumptive behavior that had a score of 2. Resignation indicates that more poor families surrender to fate, but this is a contradiction to the consumptive behavior, particularly the expenses for the customs and cultures. Based on the data, almost all respondents had debts, and these debts were mostly to pay for activities of customs and other rituals.

This condition was very favorable for the poor households to get out of poverty, i.e. the consumptive nature of the communities for indigenous and cultural activities. This is because the activity of customs and cultures in the research area had a very high frequency for each month. This means a great market opportunity for those who produce local wisdom. Moreover, the needs for ritual items are very diverse and in high demand, because the people of Karangasem and the Balinese people in general have no day without traditional ceremonies.

The results of data analysis that demonstrate the regression coefficient of the structural model relationships between all the variables are presented in Table 7. All relationships between these variables demonstrate significant regression coefficients.

**Table 7**  
**Regression coefficients of Relationship between Variables in the Sub-districts of Karangasem, and Manggis in 2015**

<i>Variable Relationships</i>	<i>Regression coefficients</i>		<i>Critical Ratio</i>	<i>Remarks</i>
	<i>Ustandardized</i>	<i>Standardized</i>		
KRTM (X1) → Attitude (Y1)	0,354	0,247	3,740	Significant
KRTM (X1) → empowerment (Y2)	0,233	0,135	2,816	Significant
empowering (X2) → Attitude (Y1)	0,270	0,165	2,987	Significant
empowering (X2) → empowerment (Y2)	0,372	0,188	4,394	Significant
Culture (X3) → Attitude (Y1)	-0,262	-0,245	3,036	Significant
Culture (X3) → empowerment (Y2)	-0,255	-0,207	3,302	Significant
Attitude (Y1) → empowerment (Y2)	0,522	0,432	4,530	Significant

Based on Figure 5.8 the structural equations are as follows:

$$Y_1 = 0,247 X_1 + 0,165 X_2 + 0,245 X_3$$

$$Y_2 = 0,135 X_1 + 0,188 X_2 + 0,207 X_3 + 0,432 Y_1$$

The attitude out of poverty is influenced by independent variables of household capacity, empowerment and culture; whereby the contribution of culture significantly affects the values of entrepreneurship as an attitude to get out of poverty. That was also the empowerment that was influenced by four independent

variables. The attitude that most affects poor families out of poverty was influenced by the attitudes and culture.

## CONCLUSION

### 1. Conclusion

Based on the results and discussion, it can be concluded that:

- 1.1 All indicators of the capacity of poor households showed both good and poor household conditions. Both the level of education and the ownership of assets were below average. Likewise, empowerment of the poor households was also in poor condition, with empowerment being defined as improved knowledge, increased accessibility, increased participation in social and economic activities, and increased income. It shows that respondents are at a low level of empowerment.
- 1.2 Viewed from the aspect of entrepreneurial values that consists of an attitude to get out of poverty, motivation, creativity, and innovation of poor households, shows positive values. It is supported by the skills of households to produce products, local knowledge, and support of the environment, and the availability of raw material as a factor of ritual or offerings' production.
- 1.3 Factors of motivation and creativity of have dominantly influenced the attitudes of households to get out of poverty. It is supported by a large part of poor households who state that they are not happy about the condition of the poverty they face, and the good skill of making the ritual offerings, because making or producing ritual offerings is their routine in daily religious life.

### 2. Research limitations

Each study certainly has its limitations. Several limitations in the research are as follows.

- 2.1 The research was carried out only in one sub-district and one regency so that the results cannot be generalized beyond the research area.
- 2.2 Variables and indicators used in the research are still limited, since there are many variables and indicators that can affect poverty.

### 3. Recommendations

#### 3.1 Policy makers

- 3.1.1 Raise the standard of families by fostering the entrepreneurial spirit among poor households. Resources can create a product that sells goods, such as the utilization of palm leaves, or coconut, bamboo, various flowers and so forth to make the ritual paraphernalia. The ability of poor households to use more of their spare time on productive activities should be able to increase revenue.
- 3.1.2 Increase the capacity of poor households, by encouraging poor households to send their children to schools, rather than to abuse them to work to supplement the family income. The involvement of an external party is required to continuously provide awareness to the parents to have the

perspective that education will provide long-term benefits for the future of children at the same time the future of the family, not just short-term thinking by looking at the current outcome only.

### 3.2 For the subsequent research

The limited area and research sampling have the consequences of generalizing the results. Future researchers are expected to cover more areas. It is expected that other poverty indicators also will be used.

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