THE EFFECT OF MARKET KNOWLEDGE, BOOK KEEPING QUALITY, MANPOWER QUALITY, PRODUCT PRICING, STOCK REGISTER QUALITY, AND BUSINESS ESTABLISHMENT POLICY TOWARDS THE POTENTIAL OF BUSINESS FINANCE AND GROWTH IN RIAU, INDONESIA

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Abstract: *The slowing growth of economic condition in Indonesia will have an effect on the lives of urban and rural society throughout Indonesia. The microfinance service for the poor people is specifically designed through the capital provision for small enterprises. The capital provision is a step to expand employment and business opportunities, so that it will be able to increase the income that can ultimately reduce the poverty rate. This research aims to investigate the the effect of market knowledge, bookkeeping quality, manpower quality, product pricing, stock register quality, and business establishment policy towards the potential of business finance and growth. The data of this research are primary data and secondary data. Ferdinand (2006), said population is a combination of all elements in the form of events, things or people who have similar characteristics that became the center of attention of the researchers (the object to be examined) In this study, the population is women micro entrepreneurs in six sub-districts in Pelalawan District, namely Pangkalan Lesung, Pelalawan, Pangkalan Kerinci, Kuala Kampar, Ukui, and Kerumutan Sub-Districts, in which there are 409 women's micro enterprises. By using Slovin's formula, this study obtained 201 women's micro enterprises as the sample. Based on the analysis it can be concluded that in order to improve the development of micro economic enterprises in Riau Province, it needs some improvements on the market knowledge of the micro entrepreneurs, the bookkeeping quality, the manpower quantity, the stock register quality, and the business establishment policy.*

Keywords *: Microfinance, Potential of Business, Business Growth*

1. INTRODUCTION

The slowing growth of economic condition in Indonesia will have an effect on the lives of urban and rural society throughout Indonesia. This results in the increasing

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number of unemployment and decreasing number of job vacancies, so that also increase the poverty rate. As well as what happened in Riau Province where the poverty rate increased in September 2015 as shown in Table 1.

Table 1
Number and Percentage of Poor People in Riau Province by Region, September 2012-September 2015

Year	Number of Poor Population (thousand)			Percentage of Poor Population (percentage)		
	City	Village	City+Village	City	Village	City+Village
(1)	(2)	(3)	(4)	(5)	(6)	(7)
September 2012	156.41	324.90	481.31	6.68	8.94	8.05
September 2013	162.71	359.82	522.53	6.68	9.55	8.42
September 2014	159.53	338.75	498.28	6.53	8.93	7.99
September 2015	174.79	388.13	562.92	7.05	9.95	8.82

Source: Statistic Indonesia 2015

Table 1 shows that the poverty rate in Riau Province in the city level appears to increase, from 6.53% in 2014 to 7.05% in 2015 and in the village level ranged from 8.93% in 2014 to 9.95% in 2015. This increase will certainly have an effect on the lives of urban and rural society. However, the government has made an economic policy, as an effort to reduce the poverty rate by providing funds to help the community to develop and expand the business field to improve the welfare through the increase in family income. One of the strategies that can be applied to achieve these goals is through a microfinance service. According to Otero (1999), microfinance is "the provision of financial service to low-income, poor and very poor and self-employed people". According to Ledgerwood (1999), in general, the financial services provided by microfinance not only include savings and credits, but also other financial services such as insurances and payments. Microfinance is a general term to describe financial services to low-income individuals and those who do not have access to banking services including women, employees and self-employed people. According to Ledgerwood (1999). Schreiner and Colombet (2001) define microfinance as "an effort to improve access to small deposits and loans to poor households that cannot get service from the bank. The same thing is also expressed by Rosenberg et al., (2009) that microfinance is a form of specialized investments which is defined as a part of the financial services for the poor and low-income people who do not have an access to conventional banks.

The microfinance service for the poor people is specifically designed through the capital provision for small enterprises. The capital provision is a step to expand employment and business opportunities, so that it will be able to increase the income that can ultimately reduce the poverty rate. Nowadays, there are many parties involved in the provision of microfinance service including government, NGOs, institutional donors and also private and governmental banking sector. One of the ways to reduce

poverty is by empowering women in micro-enterprises through microfinance. The number of micro and small enterprises in Indonesia is 3.668.873 spread over 34 provinces in Indonesia. Meanwhile, in Riau Province, the number of micro and small enterprises is 17.435. Mostly, the source of the capital of micro and small enterprises in Indonesia comes from the owners for 81.41%, (i.e., from 2.986.752 enterprise units) and the rest 18.59% comes from other sources. It also occurs in micro and small enterprises in Riau province where 15.178 micro and small enterprises (87.05%) has their capital from their owners. The large amount of the self-owned capital from the owners certainly results in micro and small enterprises that are very difficult to develop. However, there are several reasons why they do not want to receive external funding as seen in Table 2:

Table 2
Reasons to Micro and Small Enterprises Riau province did not receive Assistance of Development in 2015

Number	Information	Amount of business	Amount of business (%)
1	Do not know the procedure	2.350	13.48
2	Proposal rejected	246	0.41
3	Not interest	2.408	13.81
4	Do not know	11.251	64.53
5	Other	1.180	6.77
		17.435	

Source: Statistic Indonesia 2015

Table 2 above shows that 78.01% of the main reasons that the micro and small microenterprises do not want to receive development funding assistance is that they do not know the procedure for it. Therefore, microfinance plays an important role in facilitating the micro enterprises to get help through the provision of financial services for low-income people and those who do not have access to conventional financial institutions, thus, the poverty rate can be reduced.

A research conducted by Supeni and Sari (2011) found that women's economic empowerment in Jember have not shown the optimal results yet. It is due to the weak mentoring, limited access to participate in the training program and weak support for women entrepreneurs. Whereas, if the management of women's micro and small enterprises empowerment is conducted compherensively, it will certainly have an effect on increasing the family income. Furthermore, it can be said that the assumption is the women workers have a considerable contribution to the country and are able to maintain the survival of their families and communities.

Based on the background above, this research aims to investigate the the effect of market knowledge, bookkeeping quality, manpower quality, product pricing, stock register quality, and business establishment policy towards the potential of business finance and growth. Originality for this papers shows as : the writer tries to conduct a research about the effect of market knowledge, bookkeeping quality, manpower

quality, product pricing, stock register quality, and business establishment policy towards the potential of business finance and growth; no studies have examined this kind of relationship simultaneously. Location of study (no previous research for this relationship): local governments in Riau.

2. LITERATURE REVIEW

Darwin (2005) states that poverty is the condition of a person or a family in a state of lack or unworthiness to live based on certain standards, physical disabilities, lack of access to obtain minimum services in various fields of life, as well as difficulty to have access to the policy-making processes. According to Statistic Indonesia (2015) the poor people is a people who has an average monthly expenditure per capita below the poverty line. Causes of poverty can be distinguished from two things, are: (1) Cultural poverty is poverty caused by factors indigenous or local culture, (2) Cultural poverty is poverty that occurs as a result of helplessness specific person or group of people against a system or social order is unfair, so they are in a very weak bargaining position and have no access to develop and free themselves from poverty.

Women's poverty is due to injustice or discrimination in access to resources, both economic and in other forms, also due to cultural factors that are not partial to women. According to Muhadjir in Ni Luh Arjani (2007), the problem of poverty faced by women lies in the patriarchal culture, in which the values that live in the community where the position of men as superior and women as the subordinate. This patriarchal culture is reflected in family, social, nation and state life. This culture causes discrimination, marginalization, exploitation and violence against women..

By knowing the causes of poverty, the poor women will be helped to get out of poverty by increasing their economic empowerment as one of the indicators of improved welfare. The sustainable women's empowerment and optimization in the economic life will be able to improve the welfare of the family so that poverty can be reduced.

The concept of small enterprise management illustrated by the introduction and the basic principles of small enterprise management for women is expected to provide insight to women about small enterprise management. The comprehensive management about the efforts of women's economic empowerment through the development of small enterprise management can complement the women's knowledge in running and managing a small enterprise that is relatively different with the medium and large enterprises. However, there are some obstacles that are often faced based on the research conducted by Supeni and Sari (2011), they are:

1. the level of education and knowledge of women is relatively low and the very low business skills, so that it needs to design a simple development on small enterprise management that can be easily applied for rural women.

2. In general, the develompment processes of women's small enterprise are still focused on the capital difficulties aspect. Whereas, business management

aspects such as marketing management, operation management and human resource management have not been fully developed yet. This is due to the understanding and sincerity of relevant parties in developing the women's economic empowerment that are not optimal.

Elements of Women's Economic Empowerment by Kabeer (2001) in Mayoux, (2005a) states that there are five main elements to be considered in the process of empowerment of women, as follows:

1. Welfare

   Welfare is an important element in efforts to increase women's empowerment. Welfare that includes three elements, namely the participation of women economy that aims to increase household income and promote economic development as a whole, while educational attainment is an activity that most fundamental so that women are able to access employment sectors formal and earn better wages, participation in government and politics. Furthermore, the health and well-being is an aspect associated with substantial differences in women and men in access to nutrition, health, reproduction facilities, and fundamental safety and integrity (Claros and Zahidi, 2005: 2-5).

2. Access

   Access is the ability of women to be able to obtain the right to productive resources just as land, credit, training, marketing facilities, workforce, and all the public services which is equivalent to women.

3. Consientisation

   Consistency is an understanding of the differences in the role of genders and gender roles.

4. Participation

   Participation refers to the equal representation of women in decision making structures, both formal and informal, in which voice they affect society.

5. Equality of Control

   Equality in power over the factors of production, and distribution of profits so that both women and men are in a dominant position.

Micro enterprise is categorized as marginal business. It is characterized by the use of relatively simple technologies, low capital and access to credit, and tends to be local market oriented. In addition, micro enterprise is also one of the major components in local economic development, and has a potential to improve the bargaining position of women in the family (ADB Report). The activities of micro and small enterprises can not be separated from the role of women. Micro enterprise attracts many women for a consideration that it can support the household life and can fulfill the needs of self-development (Sumampouw, 2000). Although it is difficult to separate the roles of women and men in micro enterprises, and there is no definite number regarding the

involvement of women in micro enterprises, it is estimated the portion is large enough and comparable with the portion of women in small enterprise, which is about 40% (www.mennegpp.go.id).

3. METHODOLOGY

The study was conducted in Pelalawan District that is composed of 12 Sub-Districts with a sampling based on clusters of 6 sub-districts, which are considered to have the most women's micro enterprises by calculating the median. This study was conducted for 6 (six) months.

The data of this research are primary data and secondary data. Ferdinand (2006), said population is a combination of all elements in the form of events, things or people who have similar characteristics that became the center of attention of the researchers (the object to be examined) In this study, the population is women micro entrepreneurs in six sub-districts in Pelalawan District, namely Pangkalan Lesung, Pelalawan, Pangkalan Kerinci, Kuala Kampar, Ukui, and Kerumutan Sub-Districts, in which there are 409 women's micro enterprises. By using Slovin's formula, this study obtained 201 women's micro enterprises as the sample.

The analysis method used in this study is Regression Analysis to determine the Effect of Market Knowledge, Bookkeeping Quality, Manpower Quality, Product Pricing, Stock Register Quality, and Business Establishment Policy Towards The Potential of Business Finance and Growth.

4. RESULT AND DISCUSSION

4.1. Regression First Model

The regression analysis on the first model was to assess the Effect of Market Knowledge (X1), Bookkeeping Quality (X2), Manpower Quantity (X3), Product Pricing (X4), Stock Register Quality (X5), and Business Establishment Policy (X6) Towards the Potential of Business Profits (Y1) that are presented in the following table:

Table 3
Regression First Model analysis

Independent Variable	Coefficient	Beta	t-statistics	Sig t	Information
X1 : Market Knowledge	0.030	0.289	3.698	0.000	Sig
X2 : Bookkeeping Quality	0.028	0.047	0.553	0.582	**Non Sig**
X3 : Manpower Quantity	0.047	0.339	4.381	0.000	Sig
X4 : Product Pricing	-0.045	-0.019	-0.253	0.801	**Non Sig**
X5 : Stock Register Quality	0.605	0.552	6.531	0.000	Sig
X6 : Business Establishment Policy	0.077	0.390	4.984	0.000	Sig

Dependent Variable : The Potential of Business Profits (Y1)
F-Statistics   : 20.727
Sig F   : 0.000
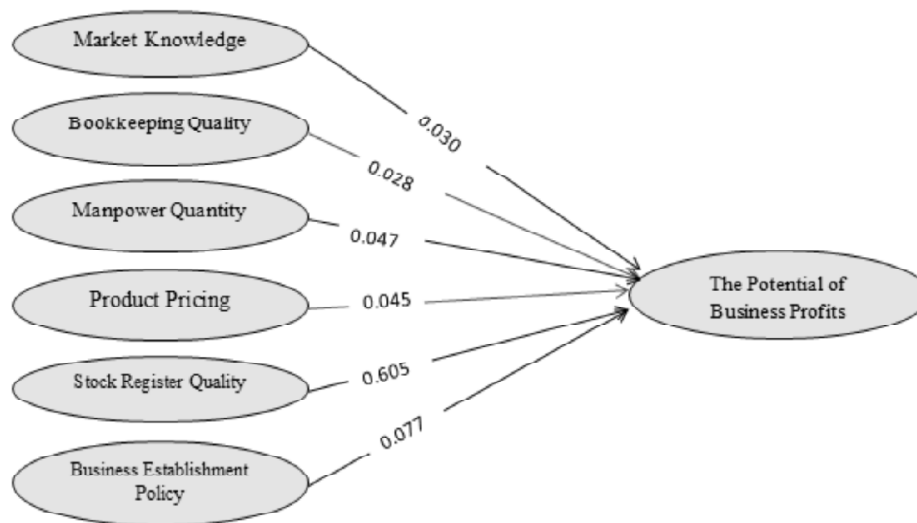R^2 : 65.3 (65.3%)

Figure 1: Hypothesis Testing Regression First Model Analysis

Based on the simultaneous test regression analysis, it obtained the F-statistics value of 20.727 with a significance of 0.000. Since the value of F significance is less than 0.5 (0.000<0.05), it can be said that there is simultaneous effect between Market Knowledge (X1), Bookkeeping Quality (X2), Manpower Quantity (X3), Product Pricing (X4), Stock Register Quality (X5), and Business Establishment Policy (X6) Towards the Potential of Business Profits (Y1).

The coefficient of determination shows the variety of the dependent variables that can be explained by the independent variables. From the results of analysis, the coefficient of determination has a value of 65.3 or 65.3%. It means that the variables ofMarket Knowledge (X1), Bookkeeping Quality (X2), Manpower Quantity (X3), Product Pricing (X4), Stock Register Quality (X5), and Business Establishment Policy (X6) can explain the variable the Potential of Business Profits (Y1) for 65.3%. While the rest of 34.7% is explained by other variables outside of the model (other than the five variables of the study).

In the partial test on the effect of Market Knowledge (X1) towards the Potential of Business Profits (Y1) obtained a regression coefficient of 0.030 with a t Sig value of 0.000. Since the value of t Sig < 0.05 (0.000<0.05), it can be said that there is a significant effect of the Market Knowledge (X1) on the Potential of Business Profits (Y1). With a positive-marked regression coefficient, it means that there is a unidirectional relationship. It means that the higher the Market Knowledge (X1), the higher the possibility to obtain the Potential of Business Profits (Y1).

The test conducted on the effect of Bookkeeping Quality (X2) on the Potential of Business Profits (Y1) obtained a regression coefficient of 0.028 with a t Sig value of

0.582. Since the value of t Sig > 0.05 (0.582>0.05), it can be said that there is no significant effect of Bookkeeping Quality (X2) on the Potential of Business Profits (Y1). It indicates that Bookkeeping Quality (X2) is not a variable that is able to have an effect on the Potential of Business Profits (Y1). It means that whether the Bookkeeping is conducted or not, it will have no effect on the Potential of Business Profits (Y1).

The test conducted on the effect of Manpower Quantity (X3) on the Potential of Business Profits (Y1) obtained a regression coefficient of 0.047 with a t Sig value of 0.000. Since the value of t Sig > 0.05 (0.000 <0.05), it can be said that there is a significant effect of the Manpower Quantity (X3) on the Potential of Business Profits (Y1). With a positive-marked regression coefficient, it means that there is a unidirectional relationship. It means that the higher the Manpower Quantity (X3) owned, the higher the possibility to obtain the Potential of Business Profits (Y1).

The test conducted on the effect of Product Pricing (X4) on the Potential of Business Profits (Y1) obtained a regression coefficient of -0.045 with a t Sig value of 0.801. Since the value of t Sig > 0.05 (0.801> 0.05), it can be said that there is no significant effect of Product Pricing (X4) on the Potential of Business Profits (Y1). It indicates that Product Pricing (X4) will have no effect on the possibility to obtain the Potential of Business Profits (Y1).

The test conducted on the effect of Stock Register Quality (X5) on the Potential of Business Profits (Y1) obtained a regression coefficient of 0.605 with a t Sig value of 0.000. Since the t Sig value > 0.05 (0.000<0.05), it can be said that there is a significant effect of Stock Register Quality (X5) on the Potential of Business Profits (Y1). With a positive-marked regression coefficient, it means that there is a unidirectional relationship. It means that the better the Stock Register Quality (X5), the higher the possibility to obtain the Potential of Business Profits (Y1).

The test conducted on the effect of Business Establishment Policy (X6) on the Potential of Business Profits (Y1) obtained a regression coefficient of 0.077 with a t Sig value of 0.000. Since the value of Sig t > 0.05 (0.000<0.05), it can be said that there is a significant effect of Business Establishment Policy (X6) on the Potential of Business Profits (Y1). With a positive-marked regression coefficient, it means that there is a unidirectional relationship. It means that the better the Business Establishment Policy (X6), the higher the possibility to obtain the Potential of Business Profits (Y1).

From the five independent variables studied, it can be seen that from the beta coefficient value on the regression analysis, the Stock Register Quality (X5) is a dominant factor in its effect on the Potential of Business Profits (Y1). It means that the Potential of Business Profits (Y1) is mostly affected by the Stock Register Quality (X5).

4.2. Regression Second Model

The results of regression analysis on the second model of the effect of Market Knowledge (X1), Bookkeeping Quality (X2), Manpower Quantity (X3), Product Pricing

(X4), Stock Register Quality (X5), and Business Establishment Policy (X6) on the Business Growth (Y2) are presented in the following table:

Table 4
Regression Second Model Testing

Independent Variable	Coefficient	Beta	t-statistics	Sig t	Information
X1 : Market Knowledge	0.051	0.390	4.965	0.000	Sig
X2 : Bookkeeping Quality	0.486	0.645	7.561	0.000	Sig
X3 : Manpower Quantity	0.007	0.040	0.514	0.609	**Non Sig**
X4 : Product Pricing	0.854	0.283	3.795	0.000	Sig
X5 : Stock Register Quality	-0.110	-0.080	-0.947	0.347	**Non Sig**
X6 : Business Establishment Policy	0.019	0.077	0.980	0.331	**Non Sig**

Dependent Variable : the Business Growth (Y2)
F-Statistics   : 20.440
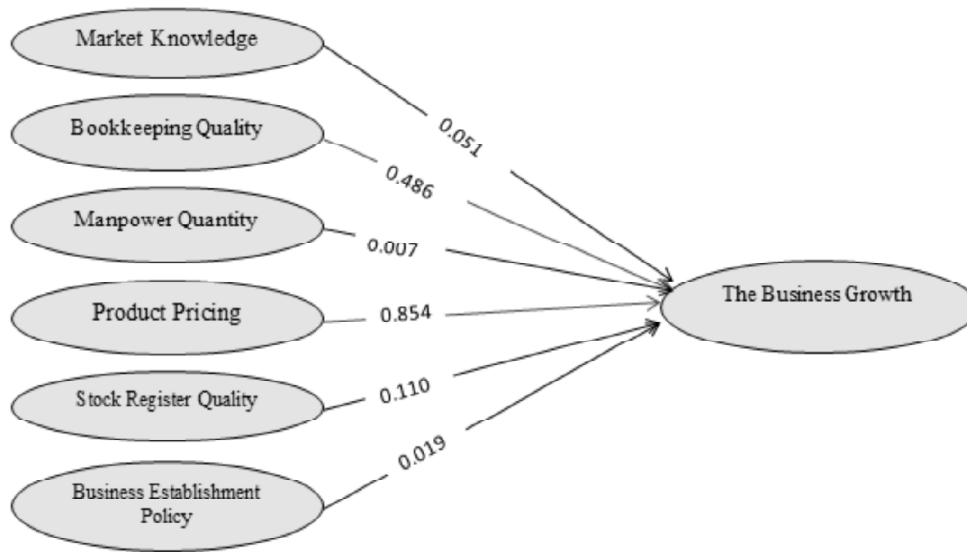Sig F   : 0.000
R^2 : 65.0 (65.0%)

Figure 2: Hypothesis Testing Regression First Model Analysis

Based on the results of simultaneous test regression analysis, it obtained the value of F-statistics of 20.440 with a significance of 0.000. Since the F significance value is less than 0.5 (0.000<0.05), it can be said that there are simultaneous effects between Knowledge About Markets (X1), Quality Bookkeeping (X2), Quantity of Labor (X3), Pricing Product (X4), Quality recording Availability (X5), and Wisdom Establish Business (X6) on the Growth Enterprises (Y2).

The coefficient of determination shows the variety of the dependent variables that can be explained by the independent variables. The results of analysis obtained the coefficient of determination value of 65.0 or 65.0%. It means that the variables of Market Knowledge (X1), Bookkeeping Quality (X2), Manpower Quantity (X3), Product Pricing (X4), Stock Register Quality (X5), and Business Establishment Policy (X6) can explain the Business Growth (Y2) variable for 65.0%. While the rest of 35.0% is explained by other variables outside of the models (other than the five variables of the study).

In the partial test for the effect of Market Knowledge (X1) on the Business Growth (Y2) obtained a regression coefficient of 0.051 with a t Sig value of 0.000. Since the value of t Sig > 0.05 (0.000<0.05), it can be said that there is a significant effect of Market Knowledge (X1) on the Business Growth (Y2). With a positive-marked regression coefficient, it means that there is a unidirectional relationship. It means that the higher the Market Knowledge (X1), the higher the possibility to obtain the Business Growth (Y2).

The test conducted on the effect of Bookkeeping Quality (X2) on the Growth Enterprises (Y2) obtained a regression coefficient of 0.486 with a t Sig value of 0.000. Since the value of t Sig > 0.05 (0.000<0.05), it can be said that there is a significant effect of Bookkeeping Quality (X2) on the Growth Enterprises (Y2). The positive-marked coefficient shows that there is a unidirectional relationship. It means that with the bookkeeping, it will be able to improve the Business Growth (Y2).

The test conducted on the effect of Manpower Quantity (X3) on the Business Growth (Y2) obtained a regression coefficient of 0.007 with the t Sig value of 0.609. Since the value of t Sig > 0.05 (0.609>0.05), it can be said that there is no significant effect of Manpower Quantity (X3) on the Business Growth (Y2). It means that the level of Manpower Quantity of Labor (X3) will not have any effect on the level of Business Growth (Y2).

The test conducted on the effect of Product Pricing (X4) on the Business Growth (Y2) obtained a regression coefficient of 0.854 with a t Sig value of 0.000. Since the value of t Sig > 0.05 (0.000<0.05), it can be said that there is a significant effect of Product Pricing (X4) on the Business Growth (Y2). It indicates that the availability of Product Pricing (X4) will result in the improvement on Business Growth (Y2).

The test conducted on the effect of Stock Register Quality (X5) on the Business Growth (Y2) obtained a regression coefficient of -0.110 with a t Sig value of 0.347. Since the t Sig value > 0.05 (0347>0.05), it can be said that there is no significant effect of Stock Register Quality (X5) on the Business Growth (Y2). It means that whether the Stock Register Quality (X5) is good or not will not have any effect on the level of Business Growth (Y2).

The test conducted on the effect of Business Establishment Policy (X6) on the Business Growth (Y2) obtained a regression coefficient of 0.019 with a t Sig value of

0.331. Since the value of t Sig > 0.05 (0.331>0.05), it can be said that there is no significant effect of Business Establishment Policy (X6) on the Business Growth (Y2). It means that whether the Business Establishment Policy (X6) is better or not, will not have any effect on the Business Growth (Y2).

From the five independent variables studied, it can be seen that from the beta coefficient value on the regression analysis, the variable of Bookkeeping Quality (X2) is a dominant factor in its effect on Business Growth (Y2). It means that Business Growth (Y2) is mostly affected by Bookkeeping Quality (X5).

4.3. Discussion

The problems in Market Knowledge are on how to get good capital source(s) to enter the export market, the understanding on the information regarding market regulation, the problems regarding the quality of bookkeeping, and regarding business establishment policy that is mainly constrained on understanding the rules that becomes the main obstacle that causes the underdevelopment in women's economic micro enterprises. This study tried to have a depth study on the models-based findings above. There are several causes of the development of women's micro economic enterprises that become the factors determining whether the businesses are developed or not, they are Market Knowledge (X1), Bookkeeping Quality (X2), Manpower Quantity (X3), Product Pricing (X4), Stock Register Quality (X5) and Business Establishment Policy (X6). Two measures on the level of success of women's micro economy are represented by the Potential of Business Profits (Y1), and Business Growth (Y2). The analysis tool used is the Regression Analysis as follows.

Market Knowledge (X1), Manpower Quantity (X3), Stock Register Quality (X4), and Business Establishment Quality (X6) significantly affect the potential of business profits. It means that the good/high potential of micro enterprises benefits will be visible if the entrepreneurs have a high market knowledge, high-quantity manpower, high-quality stock register, and the ability to conduct a policy in establishing a business. Although it is quite unique, it can be seen that the bookkeeping quality and product pricing do not determine the potential of business profits.

From the amount of determination, it can be seen that 65.3% of the potential of business profits are determined by Market Knowledge (X1), Manpower Quantity (X3), Stock Register Quality (X4), and Business Establishment Policy (X6). It shows the considerable contribution of Market Knowledge (X1), Manpower Quantity (X3), Stock Register Quality (X4), and Business Establishment Policy (X6) in improving the potential of the profits of women's micro-economic enterprises in Riau Province. So that, it needs a strategy to improve the potential of micro economic business based on the improvement on Market Knowledge (X1), Manpower Quantity (X3), Stock Register Quality (X4), and Business Establishment Policy (X6). The results of analysis showed that the stock register quality is the main factor in determining the potential of business profits of micro enterprises in Riau Province.

Market Knowledge (X1), Bookkeeping Quality (X2), and Product Pricing (X4) significantly affect the Business Growth. It means that the good/high growth of micro businesses will be visible if the employer has a high market knowledge, good-quality bookkeeping and product pricing. Although it is quite unique, it can be seen that the manpower quantity, the stock register quality, and the business establishment policy do not determine the business growth.

From the amount of determination, it can be seen that 65.0% of business growth is determined by Market Knowledge (X1), Bookkeeping Quality (X2), and Product Pricing (X4). It showed a considerable contribution of Market Knowledge (X1), Bookkeeping Quality (X2), and Product Pricing (X4) in improving the growth of women's micro economic enterprises in Riau province. So that it needs a strategy to improve the growth of micro economic businesses based on the improvement on Market Knowledge (X1), Bookkeeping Quality (X2), and Product Pricing (X4). The results of analysis showed that the bookkeeping quality is the main factor in determining the growth of micro economic enterprises in Riau Province.

Limitation of this research effort has been made and implemented according to scientific procedures, however, still has its limitations, are: factors affecting the potential business and business growth consists of only market knowledge, bookkeeping quality, product pricing while there are many other factors that affect the potential business and business growth. This can be seen from the R2 value of 65,15% for the potential business and 65% for business growth, meaning there's still 34.85% for the potential business and 35% for business growth another factor that has not been included in this study.

5. CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis and discussion that have been described above, it can be concluded as follows (1) In identifying the obstacles in the development of women's micro enterprises, the conclusion is that the problems in Market Knowledge are on how to get good capital source(s) to enter the export market, the understanding on the information regarding market regulation, the problems regarding the quality of bookkeeping, and regarding business establishment policy that is mainly constrained on understanding the rules that becomes the main obstacle that causes the underdevelopment in women's economic micro enterprises. (2) Finding for the major obstacles on the undervelopment of women's micro economic enterprises. The results showed that the stock register quality is the main factor in determining the potential of business profits of micro enterprises in Riau Province. The results showed that the bookkeeping quality is the major factor in determining the growth of micro economic enterprises in Riau Province. It indicates the stock register quality and bookkeeping quality will be the major obstacles that cause the underdevelopment in women's micro economic enterprises in terms of the potential of business profits and business growth. (3) Finding the suitable guiding pattern on the development of women's micro

economic enterprises. The results of the analysis showed two things: (1) a strategy to improve the potential of micro economic enterprises based on the improvement on Market Knowledge (X1), Manpower Quantity (X3), Stock Register Quality (X4), and Business Establishment Policy (X6), (2) a strategy to improve the growth of micro economic enterprises based on the improvement on Market Knowledge (X1), Bookkeeping Quality (X2), and Product Pricing (X4). From the two things above, it can be concluded that in order to improve the development of micro economic enterprises in Riau Province, it needs some improvements on the market knowledge of the micro entrepreneurs, the bookkeeping quality, the manpower quantity, the stock register quality, and the business establishment policy.

Based on the conclusions, it is recommended: to develop micro female government needs to absorb more labor, choosing good stocks and make sound policy decisions For further research on the problem of educated unemployment is advisable to conduct further studies to include other independent variables.

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