

**ANALYSIS FACTORS INFLUENCING INDONESIAN
WOMEN'S DECISION TO BECOME ENTREPRENEURS**

***ANALISIS FAKTOR-FAKTOR YANG MEMPENGARUHI KEPUTUSAN
PEREMPUAN INDONESIA UNTUK BERWIRAUSAHA***

UNDERGRADUATE THESIS



Written By :

ALMAS ARAFATUL MUSFIRAH

20170430139

**INTERNATIONAL PROGRAM FOR ISLAMIC ECONOMICS AND
FINANCE (IPIEF)**

FACULTY OF ECONOMICS AND BUSINESS

UNIVERSITAS MUHAMMADIYAH YOGYAKARTA

2021

DECLARATION

Name : Almas Arafatul Musfirah

NIM : 20170430139

I declare that this undergraduate thesis entitled **“ANALYSIS THE FACTORS THAT INFLUENCE WOMEN DECISIONS OF INDONESIAN TO BECOME ENTREPRENEURS”** does not consist of any content that ever proposed for any degree in other in other universities, and ideas of any research and publication of others, in exception all quotes and ideas which are purposely taken are considered as the research references and listed in the reference list. Therefore, if any violation of intellectual rights found in this research, I agree to accept any relevant academic consequences.

Yogyakarta, 20 May 2021



Almas Arafatul Musfirah

MOTTO

“If you are grateful, I will surely increase you (in favor)”

Q. S. Ibrahim: 7

“So remember Me; I will remember you”

Q. S. Al-Baqoroh: 152

“No one will love you better than yourself”

DEDICATION

I dedicate this thesis to.....

Myself, a proud person

My beloved dad 'Mr. Zahri' and My beloved mom "Mrs. Asrifah"

My annoying brother Arif, Azhar, and Hakam

My kindness sister Mrs. Rizka and Mrs. Nisa

My sweet nephew Azam and Ahwas

My supervisor, Mr. Imammudin Yuliadi and Mrs. Sri Ani puji Setiawati

And my friends and comrades in arms.

ACKNOWLEDGEMENTS

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Assalammu'alaikum Warohmatullahi Wabarokatuh.

All praise and gratitude for the presence of Allah SWT, because for His grace and guidance this research can be finished with the title “**Analysis Factors Influencing Indonesian Women's Decision To Become Entrepreneurs**”.

The author realizes that this thesis's final project will not be successful without the guidance and contribution of thoughts from various parties. On this occasion, the author would like to thank:

1. The respectable Mr. Dr Imamudin Yuliadi, S.E., M.Si as Head of Economics Department and also as my undergraduate thesis advisor who has provided guidance and suggestions to the researcher since the beginning of the research until the completion of the thesis writing.
2. And the respectable Mrs. Sri Ani Puji Setiawati, S.S., M.A also as my undergraduate thesis advisor who provide direction and assistance for my research.
3. Mr. Dimas Bagus Wiranata Kusuma, S.E., M.Ec. as Director of International Program for Islamic Economics and Finance UMY for all supports, advice, and guidance.

4. IPIEF lecturers and IPIEF staff who always be a good family and giving all the valuable lessons.
5. My beloved parents, (Father) Mr. Zahri and (Mother) Mrs. Asrifah who have always provided support in the form of morals and materials and continue to provide enthusiasm and enlightened prayers to complete this scientific paper.
6. For my beloved brothers Mr. Arif and Mr. Aan, also my little brother Hakam. Even though sometime they are annoying, but I appreciate them for always be there. For beloved sisters, Ms. Rizka and Ms. Nisa, for their kindness in always providing me with delicious food. not forgotten, Azam, Ahwas, and Hanan who always entertained and filled my happiness when I was bored working on my thesis.
7. To my senior Sister Naviah and brother Fitra who help me a lot to learn about stata and research.
8. Also to my best friend Ratu, Rizki, Tipah, Yatik, Faiz, Mak ijah, Insek, monce, Arga, Papoy, Capit, Nyak, suci, and many more that cannot be mentioned individually, who have continuously provided encouragement, motivation, and assistance in the preparation of this thesis. Who always listening to me, who always complimented me with words that were charming and pleasant, and even can always be a home for Almas.
9. To chickenoodlesop circle who often made my day, make me laugh, and become my loyal listener.

10. My beloved classmates, IPIEF 2017 and other batch who support me and believe on me.
11. The last but not least, my KKN mate's (Gema), my favorite exchange buddies, my debate's team, my organization friends and whoever randomly support me and made my day.

The author also realized that this scientific paper is still far from perfection. Therefore, the researcher's criticisms and suggestions are highly expected for future improvements, and the researcher hopes that this paper can be useful for all parties.

Wassalamu 'alaikum

Yogyakarta, 15 May 2021

Almas Arafatul Musfirah

TABLE OF CONTENTS

TITLE PAGE	1
DECLARATION	4
MOTTO	5
DEDICATION	6
ABSTRACT	7
ACKNOWLEDGEMENTS	8
TABLE OF CONTENTS	11
LIST OF TABLES	14
LIST OF FIGURES	15
LIST OF APPENDICES	16
LIST OF ABBREVIATIONS	Error! Bookmark not defined.
CHAPTER I	17
INTRODUCTION	17
A. Background	17
B. Problem Formulation	25
C. Research Objective	25
D. Research Benefit	26
CHAPTER II	27
LITERATURE REVIEW	27
A. Theoretical Review	27
1. Entrepreneurship Theory.....	27
2. Women entrepreneur.....	33
3. Micro Small Medium Enterprises.....	37
4. Concept of human resources	43
5. Managerial Economic Theory	46
6. Decision Making Theory	47
B. Previous Research	49
C. Relations between variables	53

D. Hypothesis	57
E. Framework	58
CHAPTER III	59
RESEARCH METHODOLOGY	59
F. Object of research	Error! Bookmark not defined.
B. Type of Data	59
G. Data Collection Technique	60
H. Operational Definition of Variables	64
I. Probit Regression	66
CHAPTER IV	72
DESCRIPTION OF RESEARCH DATA	72
A. General Description of Women and The Indonesian Economy	72
1. Profile of Indonesian women	72
2. The role of women and the economy.....	75
B. Overview of The Indonesia Family Life Survey (IFLS)	76
1. Definition of Indonesia Family Life Survey (IFLS).....	76
2. IFLS survey wave	77
3. IFLS data usability.....	81
CHAPTER V	83
RESULT AND DISCUSSION	83
A. Data Description	83
B. Factors that influence women decision as an entrepreneur	86
1. Age factor.....	86
2. Education.....	90
3. Interest.....	93
4. Welfare.....	95
C. Probit Regression Model Analysis	98
D. Discussion	102
1. Age against Women’s Entrpreneurial Decissions	102
2. Education against women’s entrepreneurial decisions	104
3. Interest against women’s decisions on entrepreneurial	105

4. Welfare against women’s entrepreneurial decisions	105
CHAPTER VI	107
CONCLUSION, RECOMMENDATION, AND RESEARCH LIMITATION	107
A. Conclusion	107
B. Recommendation.....	109
C. Research Limitations	110
REFERENCES	111
APPENDICES.....	116

LIST OF TABLES

Table 2.1. Previous Studies	49
Table 3.1. Questionare of IFLS-5	63
Table 4.1. Panel Study in Indonesia Family Life Survey (IFLS)	79
Table 4.2. The following shows the sample size of the interviewed respondents:	80
Table 4.3. Individual Samples by Age Group	80
Table 5.1. Employment Questionnaire	83
Table 5.2. Description data research table	84
Table 5.3. Age group of female respondents	86
Table 5.4. Education of women entrepreneur	90
Table 5.5. Interest on entrepreneurship of women respondent	93
Table 5.6. Welfare of women respondent	96
Table 5.7. Result of regression model analysis	99
Table 5.8. Table of Marginal Effect result	101

LIST OF FIGURES

Figure 1.1 MSMEs contribution to the Indonesia Economy Growth	20
Figure 1.2. The percentage of ownership of the largest number of businesses in ASEAN	22
Figure 1.3. Motivation to start entrepreneurship in ASEAN countries	24
Figure 2.1 Long-term labor demand curve.....	44
Figure 2.2 Labor supply curve.....	45
Figure 2.3 Research Framework.....	58
Figure 3.1 Data collection stage from IFLS-5 data	61
Figure 4.1 Total population of Indonesia by gender (2010-2035).....	72
Figure 4.2 The rate of labor force participation in Indonesia according to World Bank in 2010-2014.	74
Figure 5.1 Distribution Women entrepreneur and non-entrepreneur based on age	88
Figure 5.2 Percentage women participation on entrepreneur or non-entrepreneur based on age	89
Figure 5.3 Distribution women participation on entrepreneur and non-entrepreneur based on education.....	91
Figure 5.4 Percentage women participation on entrepreneur and non-entrepreneur based on education.....	92
Figure 5.5 Distributin women participation on entrepreneur and non-entrepreneur based on interest	94
Figure 5.6 Percentage women decision on entrepreneur and non entrepreneur based on interest	95
Figure 5.7. Distributon women decision on entrepreneur and non-entrepreneur based on welfare	96
Figure 5.8. Percentage women decision on entrepreneur and non-entrepreneur based on welfare	98

LIST OF APPENDICES

Appendix 1. Regression analysis result	116
Appendix 2. Marginal Effect result	117
Appendix 3. IFLS-5 Dataset.....	117