

Submission date: 30-Jun-2019 08:44AM (UTC+0700)

Submission ID: 1147997977

File name: FULLPAPER_IJCIMBI_2015_EDY_DWI_K_SMG.docx (60.39K)

Word count: 4819

Character count: 27937

The Role of Entrepreneurship in the Production Function and its Effect on Revenue of Batik Industry in Central Java

Edy Dwi Kurniati

Faculty of Economics and Business
University of Darul Ulum Islamic Centre Sudirman GUPPI (UNDARIS)
Semarang Region, Central Java, Indonesia
+628122918845 kurni_edy@yahoo.co.id

ABSTRACT

In the long term, Micro, Small and Medium Enterprises (SMEs) in the batik industry to compete in the local market, the domestic and global markets not only rely on the ability of the tradition-oriented production as a source of local uniqueness, subsidies and government assistance, but should have an efficiency economies of scale, have a quality resource competent in their field, independently as well as having a strong brand in the local and global markets. In a competitive industry environment, entrepreneurs in the batik industry factors have an important role to improve the efficiency and revenue. This study analyzes the role of entrepreneurship in Production and their effect on the function of the batik industry.

The study was conducted by distributing questionnaires to 100 SMEs Sentra Batik Solo, Pekalongan and Lasem (Rembang). Sampling was done by purposive sampling. Data analysis was performed using Statistical Frontier Deterministic and regression.

The results found variable labor costs, raw material and overhead costs have a significant influence on the value of the production and sale of batik SMEs, but the price and the economic efficiency of more than 1. The economic efficiency and low prices showed gains are not worth the cost incurred. In addition, the results of this research also found a positive relationship between entrepreneurial role in supporting efficiency. The role of entrepreneurs in product innovation, business alliances and marketing innovation has a positive effect on the sales value of batik. The role of entrepreneurs in marketing innovation has the highest elasticity of the production and sale of batik, then just followed the role of entrepreneurs in product innovation, especially in prices and economic efficiency.

Keywords: entrepreneurship, production function, reveneues

1. Background

The development of the batik industry as one of the 14 components of the creative industries needs to be improved, given the batik market trends and prospects in the global market promising. Batik industry has contributed to moving the national economy with an export value of 761 million USD in 2011. Beside that, amounted to 99.39 of 326 business units engaged in the batik industry is the Micro, Small and Medium Enterprises (SMEs), with absorption batik industry worker about 838 million people are spread in various regions in Indonesia. Its means there is a large contribution from the batik industry to job opportunities and increase incomes. The additional value of the batik industry is increasing every year with the average growth of 32.27% (Department of Industry, 2013).

Batik SMEs have potency to be developed as a major industry in the longterm. Among those are: (1) batik as a component of textile products industry, has a short life cycle in terms of design or lifestyle motifs so as to ensure the sustainability of demand.(2) the demand on batik market influenced by market tastes (trend).(3) there is an element of locality in competing for the

support of the international fashion products, and (4) can be produced by handmade and with technology (NetFinTex, 2013). The potential of the Indonesian market for commodities is relatively large for the needs of the textile fabric of urban communities not only in the form of clothing, but also the needs of non-clothing such as accessories, hats, and so on (Hermawan, 2011).

In a competitive industrial environment, enterpreneur factor of batik industry have an important role to increase efficiency and revenue. Its capacity in batik SMEs is needed to compete in local, domestic or global market, for the example on managing the production resources, flexibility and the ability to identify business opportunity also market potency based on product and its unique service. Although the batik SMEs has several potencies to develope, but its also has several problems, among them are: limited access especially related to capital, has no economics scale efficiency, high cost on access and using information technology, low skill and knowledge (related to using of technology, entrepreneurship, managerial, accounting and marketing) to serve the consumers both in domestic or export market, has no information about market opportunity, high in transaction cost (especially on infrastructure access), limited related to reach out the quality standard (Harvie, 2004:14).

In the long term, the batik SMEs can not only rely production capabilities rooted in tradition as a source of uniqueness in the market to compete in local, domestic and global markets, but also has other advantages, such as the dynamic design and competitive, understanding quality control, understanding environmental issues such as eco-design and eco-labeling, understanding export procedures, have economies scale efficiency in other hand mastery on technical and other management controls such as entrepreneurial, managerial, accounting and marketing (Harvie, 2004: 14). Based on this background, this research wants to analyze the role of entrepreneurship in the production function and the effect on revenues of batik industry.

2. Literature

2.1. Production Process Concept

The production process is an activity to change the *input*, which is also called the factors of production into output so that the goods have a value. The production process generally requires various types and factors of production which is called as resource to produce a number of output productions. (Soekarwati, 2003: 47). Each production process has a technical foundation called the production function. Production function is the relationship between the quantity of inputs used to make products (Mankiw: 2000: 313).

Production function with one factor of production is the relationship between the level of production with the use of factors of production, while the factors of production other use is considered fixed at a certain level (ceteris paribus). The relationship between the output produced and the factors of production are used it is often expressed in the production function (Mankiw, 2000: 326). According to NgurahAgung et al. (2008: 132-146) there are some production functions frequently used in the analysis is the Cobb-Douglas production function,

linear, quadratic, exponential, CES (constant elasticity of substitution), the transcendental, and translog.

2.2. Production Function of Cobb-Douglas

 $Q = AK^{\alpha}L^{1-\alpha}$ Where:

Cobb-Douglas Production function is the most popular production function which used on economics analysis and its role is very important to decide the resources eficiency as *efficiency parameter*. Mathematically, formula of production function mentioned as: Y= f (X1/ X2, X3,, Xn). This function read as: Y product is function of produksion factor X1, if production factors of X2, X3,, Xn the used is appointed on a certain level. The only production factor which can be changed its using number is produksi factor of X1. *Cobb-Douglas* Production function can be formulated as follows:

Q= Q
$$(K,L)$$
= $AK^{\alpha}L^{1-\alpha}$(2.1)
Q= Q $(L,K1,K2,K3,z)$(2.2)

Where: Q= produksi number (unit), K= Capital (unit), L=Labour measured from the labour numbers (unit), A= Efisiensi parameter, K1= The use of materials (unit), K2= the use of additional materials (unit), K3= the use of tools/Teknologi (dummy), z= Inovasion (unit).

Furthermore will be discussed enterpereneurship factors (*entrepreneurship*) as manager source factor which is as production function. Production function is relations between input quantity that used to produce a good (Mankiw, 2008: 313). Production function in the production activity formulated as (Pasay *et al.*, 2008: 146):

$$A=\phi h^{\gamma}$$
 $h=f(E)h$(1) Then, the innovation activity will be shown as (NgurahAgunget al., 2008: 146): $Q_R=\phi K_R^{\beta}+A_R z$ Where: $Z=L_R h_z$

 $K_R = g(E)K_{R'}...(2)$

Quantity production of goods / services as activities for the fulfillment of human needs is limited because of the economic resources available is always limited in number. Entrepreneur has the function of managing limited resources to produce a higher output in the fulfillment of these needs through innovation effort. In the aspect of demand, entrepreneurs have a role to increase the demand for goods and services. In the production aspect of entrepreneurship has a role to manage the resources (inputs) are as low as possible to produce the highest output through the creation of added value and production efficiency. High demand for goods and services will increase production volume and revenue, but the increase in revenue is influenced by factors other than production volume is also influenced by the price and cost of production, as well as entrepreneurial skills in managing resources to produce higher value-added and business efficiency through innovation activity (Audretsch and Keilbach, 2007).

Revenues of innovation activities can be formulated as (Audretsch dan Keilbach, 2007).

$$\pi_R = \theta K_R^\beta + A_R z^g - w_R z - \rho_R K_R...$$
(3)

Where W_R is earning of labour capital per unit, and ρ_R is income average of innovation resources. To maximize the income of innovaton activities as output function and demand $\frac{d\pi_R}{dK_R}=0$ can be formulated as:

$$\rho_R = \beta \theta K_R^{\beta - 1} \tag{4}$$

In the next, income of activity will maximize the profit of innovation activity can be defined as (Audretsch dan Keilbach, 2007).

$$\pi_{p} = AK_{p}^{1-\alpha}L_{p}^{\alpha} - w_{p}L_{p} - \rho_{p}K_{p}....(5)$$

Based on the definition $\frac{K_p}{L_p}=k$ equation 7 can be wrote:

$$\rho_p = (1 - \alpha)A_{k}^{-\alpha} \tag{6}$$

When the market is static, entrepreneurial through innovation process introducing new products, production methods, markets, sources of supply, or a combination of the industry which is affect the economy out of previous equilibrium (Schumpeter, 1934). Furthermore, entrepreneurs find opportunities to meet the demand to reach a new equilibrium (Kirzner, 1973). So Schumpeter's theory explains that entrepreneur is acting as innovators to produce new combinations with innovation and create opportunities. Resource-based view (Resource Based View / RBV), explains that entrepreneurship creates a 'core competence' (eg, Hamel and Praharad, 1994), the ability to change dynamically (dynamic capability) (eg, Teece, Pisano &Shuen, 1997), creating valuable products, unique, not easily imitated (Barney, 2002), 'capability lifecycle' (Helfat and Peteraf, 2003), and put the new skills in the appeal routine expertise (eg, Nelson & Winter, 1982).

If enterpreneur want to develope a new capital to innovation activity through research and development also through the use of technology, can be werote as (Audretsch dan Keilbach, 2007).

$$\int_{t}^{+\infty} \rho_{R} e^{-\gamma(x-t)} dx > \int_{t}^{+\infty} \rho_{p} e^{-\gamma(x-t)} dx$$

Where r is average of interest level. Substitution of left equation (4) with equation (5) and substitution of right side equation (6) with equations (7) dan (8), can be observed as (Audretsch dan Keilbach, 2007):

$$\frac{\beta\theta K_R^{\beta-1}}{r-(\beta-1)g(E)} > \frac{(1-\alpha)\emptyset k^{-\alpha}h^{\gamma}}{r-\gamma f(E)}...(8)$$

While function of efficiency improvement, the role of entrepreneurship can be formulated as (Audretsch dan Keilbach, 2007):

$$TE = \frac{d\pi r}{d\pi k}....(9)$$

Where, TE= technical efficiency, $d\pi r$ = efficiency profit, $d\pi k$ = resources which spend to improving the efficiency such as: the use of tehnology and activities of product innovation.

The 1st International Joint Conference of Indonesia-Malaysia-Bangladesh-Ireland (IJCIMBI) 2015

3. Research Method

This research was conducted at the batik industry in Central Java, Indonesia. Consideration of place selection due to the potential for innovation and product development of the batik industry in Central Java as the data of Industry and Trade Provincial Agency in Central Java Indonesia (2006) has developed in recent years, especially in some areas of the centre of batik, so it is relevant to be studied. Based on data from this agency, the amount of the batik industry in the year of 2013 said that in Central Java as many 538 businesses, consisting of the 55 major industries, 221 medium scale industries and 262 small-scale industries.

The study was conducted with a sample of 100 respondents, entrepreneurial SMEs in Central Java Batik Sentra include: Surakarta City, Pekalongan District, and Rembang District (Lasem). The results of the questionnaire then tabulated and analyzed to determine the accuracy of existing research models. Sampling technique conducted with a purposive sampling, and proportional random sampling. The variables consisted of exogenous variables include: the cost of labor, raw and auxiliary materials and fixed costs as well as endogenous variables include production efficiency and revenue batik. Data processing is done by analyzing the role of entrepreneurship to the efficiency of production and revenue batik using deterministic statistical frontier with statistical technique to estimate frontier designed by Afriat (1972) and developed by Richmond (1974) and Greene (1980) and regression to determine the effect of role entrepreneurship in innovation.

4. Research Result

4.1. Effisiency Analysis with Production Function of Frontier Stokastik

Tabel1 show that generally from independent variable which consist of labour cost (X_1) , material cost (X_2) and fixed cost (X_3) , discovered that its elastic production more than 1 (1,081). It means in *increasing return to scale* condition, seen from coefficience value, for those variables has positive values.

Tabel 1 Estimation Result of Production Function of Frontier Stokastik

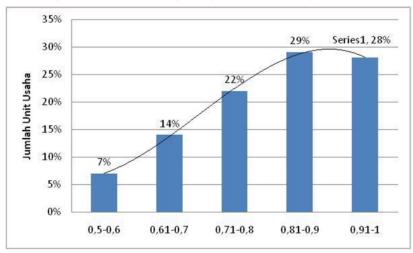
	Model ke-1
(Constant)	0,141
LnX ₁	0,723
LnX₂	0,223
LnX₃	0,135
Return to scale	1,081
Technical	0,885
Efficiency Mean	
Technical Inefficiency	0,115
Mean	
N	100

Sources: processed from questionnaire datas (2014)

4.1.1. Technical Efficiency

Based on the data obtained if the average technical efficiency of 0.985, this means that the average technical efficiency achieved is 98.5% of batik entrepreneurs of the frontier that maximum productivity is achieved by processing system batik SMEs in three areas of research have been good, because it technically efficient approach considering technical efficiency is the relationship between the inputs actually used with the output from the maximum value is 1.

In figure of 4.1 presented the distribution of batik SMEs in accord with technical efficiency level which reached by entrepreneurs individually.



Source: processed from questionnaire datas (2014)

Figure 1 Technique Efficiency Spread of Batik SMEs

4.1.2. Price Efficiency (Allocative)

Price efficiency (allocative) is a situation when the marginal product value (MPV-Marginal Product Value) is equal to the production factor price which is concerned, or the way in which entrepreneurs are able to maximize profits. In the discussion of price efficiency (allocative) this will result in three outcomes possibilities: (1) if the value of the efficiency is greater than 1, this means that the maximum efficiency has not been achieved, so the use of factors of production should be increased in order to achieve an efficient condition. (2) if the value of efficient smaller than 1, it is that the business activities carried batik inefficient, so as to achieve the efficient level of production factors used should be reduced. (3) if the efficiency values equal to 1, this means that the business of batik has reached levels that are run

efficiently and obtain maximum profit. Marginal Product Value (MPV) here is obtained from the coefficient of each variable multiplied by the average of the total revenue divided by the average cost of each of these variables.

Therefore, the calculation of the analytical calculation of price efficiency (allocative) is issued costs for activities batik SMEs in units of dollars. Including the earned income, so you will know the amount of price efficiency in batik SMEs.

Tabel 2 Number of Total Cost, Average and Batik SMEs Revenue

Items	Total (Rp)	Average	Ko)
			efisien	
Production (Y)	2,773,690,0	27,736,900	-	
Labour Cost (X1)	915,400,000	9,154,000	0,723	
Material Cost (X2)	553,478,000	5,534,780	0,223	
Fix Cost (X3)	180,620,000	1,806,200	0,135	

Source: processed data (2014)

The calculation of the price efficiency will be as follows:

NPMLabour Cost (NPM₁)X1

NPM = (0,723)(27,736,900)

9,154,000

= 2.191

The result of the calculation of the price efficiency for the use of production factors of Labor Cost is 2.191. The results of these calculations indicate that the use of production factors in the price of capital is not efficient, because the results of the calculations show numbers greater than 1, so we need additional capital inputs in order to achieve efficient.

NPMraw material cost(NPM2) X2

NPM = (0,135)(27,736,900)

5,534,780

= 1,118

The results of the calculation of the efficiency of the use of production factors prices for raw materials, namely 1,118. These results indicate that the use of input raw material was still not very cost efficient, because the calculation results showed the efficiency of the price is greater than 1, so it is necessary to increase the input of raw materials in order to achieve the level of efficiency.

NPMFix Cost (NPM3)X3

NPM = (0,723)(27,736,900)

1,806,200

= 2,073

The results of the calculation of the efficiency of the price for the use of fixed cost factor are 2.073. These results indicate that the use of fixed costs of production factors has not yet efficient in price, because the price of efficiency calculation results

show numbers greater than 1, so it is necessary to input additional fixed costs in order to achieve the level of efficiency.

After calculating the NPM every production factors, value of cost efficiency as follow:

EH= NPM₁+NPM₂+NPM₃

3

EH= 1,794

So that number of efficiency cost (allocative) on batik SMEs is 1,794. This calculation show that batik SMEs not efficient in the priceyet, because the cost of efficiency values more than 1, so it is necessary to increase production inputs in order to become more efficient.

4.1.3. Economic Efficiency

Economic efficiency (EE) obtained from the product of the technical efficiency and price efficiency (allocative). The result of the technical efficiency calculation in mind magnitude is 0.985, and price efficiency (allocative) of 1.794. Economic efficiency can be achieved if the technical efficiency and price efficiency has been achieved, then the magnitude of economic efficiency can be calculated as follows. So the magnitude of the economic efficiency of batik SMEs amounted to 1,767. This means that SMEs batik economically inefficient so we need additional input in order to achieve efficiency.

EE = ET X EH

= 0,885 X 1,794

= 1,588

4.1.4. Return to Scale

Return to scale is a situation where output increased as a response to the proportional increase of all inputs. As it is known that the Cobb-Douglas function, the coefficient of each independent variable on the dependent variable is the elasticity. Based on Table 4.6, it can be seen return to scale of SMEs batik through the summation of each independent variable.

Returnto scale = $\beta_1+\beta_2+\beta_3$

=0.723 + 0.223 + 0.135

Value of return to scale on batik SMEs is 1,081. Returns to scale is obtained from the addition of elasticity coefficients for each independent variable in the study. This suggests that the batik SMEs are at Increasing Returns to Scale (IRS). This means that the proportion of additional factors of production will result in additional production has a greater proportion.

The 1st International Joint Conference of Indonesia-Malaysia-Bangladesh-Ireland (IJCIMBI) 2015

4.2. The Role of Enterpreneur on Efficiency

Based on the results of data processing can be found the results of the analysis of innovation efficiency batik sales as follows:

- a. Batik entrepreneurs in SMEs more active in product innovation, marketing innovation and business alliances in general have lower technical efficiency, but have a price efficiency and higher economic efficiency. In terms of technical efficiency, comparison of production costs on the production output of batik SMEs with a focus on product innovation is lower (technical efficiency = 0.883) compared with inactive SMEs batik product innovation (technical efficiency = 0.895).
- b. Batik SMEs more involved in business alliances and marketing innovation, has a ratio of production costs on the production output at a lower batik SMEs (technical efficiency = 0.893 and 0.894) compared with the batik SMEs are not involved in business alliances and marketing innovation (technical efficiency = 0.896 and 0.895).
- c. Batik entrepreneurs in SMEs more active in product innovation, marketing innovation and business alliances in general have a higher price efficiency (efficiency price = 2.062; 1.805; 2,116). Compared with batik SMEs that are not active in product innovation, marketing innovation and business alliances (price efficiency = 1.754; 1,750; 1,708).
- d. Batik SMEs are more active in product innovation, marketing innovation and business alliances in general have a higher economic efficiency (efficiency price = 1,820; 1,612; 1.915) compared with inactive batik SMEs in product innovation, business alliances and marketing innovation (price efficiency = 1.570; 1.568; 1,528).

5. Discussion

The results found that the three factors of production costs consist of labor costs, raw material costs and fixed costs affect the production and sale of batik SMEs. The elasticity of labor costs is greater than the elasticity of raw and auxiliary materials costs and fixed costs. The results of data processing to find the average value of technical efficiency of SMEs batik 0.885. This shows the level of efficiency achieved by batik entrepreneurs approaching a maximum value or 1 (reaching 88.5). The results of the calculation of the efficiency of the price obtained a value of 1.794. This shows that the use of production factors labor, raw and auxiliary materials and cost efficient manner apparently fixed price. From the calculation of economic efficiency obtained yield was 1.588, this means batik SMEs in three research areas already economically efficient.

Based on calculation result of ReturntoScale(RTS)on batik SMEs found result as many as1,081.Based on this result, return to scale number more than 1 which mean in the increasing return to scale situation, this means if this means that if there was an additional factor of production by 1%, it will increase production output amounted to 1,081, with the result that more than 1, then the condition of batik SMEs in the study area is feasible to develop or continue. This is consistent with previous research conducted by NetFinTex, (2013) who found batik SMEs have the potential to be developed as an industrial base in the long run. The potential of the Indonesian market for

commodities is relatively large for the needs of the textile fabric of urban communities not only in the form of clothing, but also the needs of non-clothing (Hermawan, 2011).

The results of this study also found the role of entrepreneurship in innovation such as through the development of design, collaboration with designers and management quality (D1) has a positive effect on the sales value of batik (Y) (t value 2.660 (p-value = 0.009 <5%)). Similarly, the role of entrepreneurship in business alliances such as through partnerships with large industrial or through cooperatives (D2) and marketing innovation such as through participation in exhibitions and marketing via the internet (D3) has a positive effect on the sales value of batik (Y) (t value 2.138 and 2.660 (p-value = 0.035 and 0.000 <5%). This means that in the long run, SMEs are not only able to batik production capability to be rely on tradition as a source of uniqueness to compete in the local market, domestic and global markets, the results accordance with the results of previous studies that found by Harvie (2004) who does so that SMEs should have a design that is dynamic and competitive, understand quality control, to understand environmental issues such as eco-design and eco-labeling, understand export procedures, have economies of scale efficiency in addition to technical and other management controls such as entrepreneurial, managerial, accounting and marketing.

Results of regression testing is also obtained results that the entrepreneurial role and a significant positive effect on production and sales. In this case a more intensive small industry in the activities in product innovation, marketing innovation and business alliances have tended to have production and sales. This is consistent with previous studies (such as done by done by: Roberts and Amit, 2003; Mogollon and Vaquero, 2004; Marques and Monteiro, 2006; Marques & Ferreira, 2009) that found an association role on the performance of entrepreneurial behavior. Behavior innovation and entrepreneurial business alliances help companies to increase their resources and market differential, this strategy required to produce higher performance (superior) than competitors.

6. Conclusion

Based on the regression results of data processing with the result of variable costs of labor, raw and auxiliary materials and overhead costs have a significant influence on the value of the production and sale of batik SMEs. The cost of labor has the highest elasticity of the production and sale of batik SMEs followed by the cost of raw and auxiliary materials and overhead costs. Average level of technical efficiency of SMEs batik close to 1 (0,885 or 88.5%), but the efficiency and economical prices more than 1 price efficiency (allocative) and economic research on the value is greater than 1, is equal to 1.794 and 1.558 were means efficient use of production inputs yet the price. Economic efficiency and a low price indicate the benefit is not worth the cost incurred. Gains derived only to cover the cost of production.

The role of entrepreneurship in product innovation, marketing and business alliances have a positive impact on sales value of batik. The role of entrepreneurship in marketing innovation has the highest elasticity of the production and sale of batik SMEs followed by the role of entrepreneurship in business alliances and product innovations. The role of enterpreneur is

important especially in economic efficiency and price.

Based on research result and discussion, the suggestion that researchers can provide are as follows:

- a. In the long term, batik SMEs to compete in the local market, domestic and global markets can not only rely on the production capability mangakar on tradition as a source of local uniqueness, capital subsidies, market access assistance, as well as short-term training, but must have the economies of scale efficiency, has the quality of resources, competence in the field, independent and has a strong brand in the local market and global.
- b. Development of SMEs Centre is a showroom of batik SMEs products to enhance the role of batik entrepreneurs in market access, product design innovation, quality, environmental impact and capital assistance.
- c. Local governments can provide incentives and guidance system to spur the development of new businesses to access markets, technology incubators and business development, as well as providing support for the development of partnerships between small businesses.
- d. The role of entrepreneurship in product innovation, marketing and business alliances have a positive impact on sales value of batik, so it needs to be improved, especially in the design innovation, product innovation, quality innovation, anticipate change and environmental impacts, establish partnerships, especially in accessing assistance and access to capital markets.

The implication of these results is that the batik SMEs to compete in the local market, domestic and global markets can not only rely on the ability of production rooted in tradition as a source of local uniqueness, capital subsidies, market access assistance, and short-term training, but the long term must have economies of scale efficiency, having competent in their field resources quality, independent and has a strong brand in the local market and global. In the other hand, economies scale make SMEs inefficient to adopt the technology, access to infrastructure, building a brand, paying a professional (such as managers, accountants, designers, research and development), so that an obstacle to competitive in the long term. SMEs must overcome efficiency of economies of scale by cooperative / group both in clusters and business networks, building vertical alliances in a group of related businesses, or employ agents both through resource acquisition and contract-based. SME Center development is a showroom of SMEs batik products to enhance the role of batik entrepreneurs in market access, product design innovation, quality, environmental impact and capital assistance. Local governments can provide incentives and guidance system to spur the development of new businesses to access markets, technology incubators and business development, as well as providing support for the development of partnerships between small businesses.

Unknowladgement

I say thank you to the Ministry of Education and Culture of the Republic of Indonesia which has provided Fundamental Research Grants in 201, hopefully these results useful for the development of science and technology and has an impact on the development of Indonesian batik business.

The 1st International Joint Conference of Indonesia-Malaysia-Bangladesh-Ireland (IJCIMBI) 2015

REFFERENCES

Audretsch dan Keilbach. 2007. Entrepreneruship Capital-Determinan and Impact on Regional Impact Performance. Journal MPI Jena ISNN 1813-8333

Barney, J. B. (2002), Gaining and Sustaining Competitive Advantage 2nd ed., Upper Saddle River, NJ: Prentice Hall.

Chavas, J.P dan Barham, B. (2007) On Microeconomic Efficiency and Entrepreneurship under Bounded Rationality. RePEc:ecl:wisagr:516. http://www.aae.wisc.edu/pubs/ sps/pdf/ stpap516.pdf Ministry of Industry and Trade. 2013. the Small Industries Development Policy Guidelines, Jakarta.

Hamel, G., & C. K. Praharad (1994), Competing for the Future, (Boston, MA: Harvard, Business School Press Citation byTokuda, A. (2005) The Critical Assessment of the Resource-Based View of Strategic Management: The Source of Heterogeneity of the Firm. Institute of International Relations and Area Studies, Ritsumeikan University

Harvie, C, (2004), East Asian SME Capacity Building, Competitiveness and Market Opportunities in a Global Economy, Working Paper 04-16, Department of Economics, University of Wollongong,

Herman (2011), Analysis of Impact of Macro Economic Policy Against Development of Industrial Textiles and Textile Products Indonesia. Buletin Monetary Economics and Banking, April: 374-408

Kirzner, I., (1973), Competition and Entrepreneurship. Chicago: University of Chicago Press. Mankiw, G., 2008. Principles of Economics. Third Edition. McGraw-Hill

Grønning (2008) Entrepreneurship and Innovation Organizations, Institutions, Systems and Regions.Paper to be presented at the 25th Celebration on Conference Copenhagen, CBS, Denmark, June 17 – 20

Nelson, R. R., & Winter (1982), An Evolutionary Theory of Economic Change(Cambridge, MA: Belknap Press of Harvard University Press)the Citation in Tokuda, A. (2005) The Critical Assessment of the Resource-Based View of Strategic Management: The Source of Heterogeneity of the Firm. Institute of International Relations and Area Studies, Ritsumeikan University

NetFinTex (2013), Opportunities and Challenges for Financing Innovation in the European Textile and Clothing Industry. TheOnline access: http://www.netFinTex.com

Pasay, NH A, Sugiharso, Ngurah, A., 2008, Micro Economic Theory: An Analysis of Applied Production, Eagles Press, Jakarta

Schumpeter, 1934, Theory of Economic Development, Cambridge, Harvard University Press.

Teece, D. J, Pisano, G., & A. Shuen (1997), *Dynamic Capabilities and StrategicManagement*, Strategic Management Journal Vol. 18, No.7, pp.509-33.

Zheng, Jianghuai and Hu, Zhining and Wang, Jialing (2008) Entrepreneurship, Innovation and Economic Growth: The Case of Yangtze River Delta in China. MPRA paper 8919. http://mpra.ub.un

ORIGINALITY REPORT

ORIGINA	ALITI KLFOKI			
2 SIMILA	4% ARITY INDEX	22% INTERNET SOURCES	2% PUBLICATIONS	2% STUDENT PAPERS
PRIMAR	RY SOURCES			
1	journal.u Internet Sour	unnes.ac.id		14%
2	eprints.u	umsida.ac.id		4%
3	OF MAC TEXTILI INDONE	ermawan. "ANALN CROECONOMIC E INDUSTRY AN ESIA", Buletin Eko kan, 2011	POLICIES ON D ITS PRODU	CTS IN
4	hrcak.sr Internet Sour			2%
5	Submitt Student Pape	ed to Universiti N	Malaysia Perlis	1%
6	digirese Internet Sour	arch.vut.ac.za		1%

Exclude quotes Off Exclude matches Off

Exclude bibliography On

30Jun

30Jun		
GRADEMARK REPORT		
FINAL GRADE	GENERAL COMMENTS	
/0	Instructor	
70		
PAGE 1		
PAGE 2		
PAGE 3		
PAGE 4		
PAGE 5		
PAGE 6		
PAGE 7		
PAGE 8		
PAGE 9		
PAGE 10		
PAGE 11		
PAGE 12		