

**THE EFFECTIVENESS OF GRANT FUNDS ON STUDENT
ENTREPRENEURSHIP PROGRAM IN
UNIVERSITAS SRIWIJAYA**



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FACULTY OF ECONOMICS

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COMPREHENSIVE EXAMINATION APPROVAL SHEET

**THE EFFECTIVENESS OF GRANT FUNDS ON STUDENT
ENTREPRENEURSHIP PROGRAM IN UNIVERSITAS SRIWIJAYA**

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MOTTO AND DEDICATION

Motto :

**DON'T LIMIT YOUR CHALLENGES
CHALLENGE YOUR LIMITS**

This thesis is dedicated to:

- **Allah SWT**
- **My Beloved Parents**
- **Siblings**
- **My Beloved Bestfriends**
- **Universitas Sriwijaya**
- **My Alma Mater**

FOREWORD

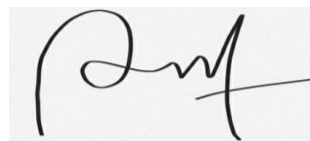
Alhamdulillah, the authors thank for the presence of ALLAH SWT, for the gift of health, grace, and guidance, so that the author can complete the preparation of a thesis entitled "The Effectiveness of Grant Funds on Student Entrepreneurship in Universitas Sriwijaya ". This thesis is Partial Fullfillment of the Requirements for the Degree Bachellor of Economics faculty, Universitas Sriwijaya.

During the research and preparation of this thesis, the author faces some challenges and these obstacles can be overcome because of help, guidance and support from various parties. The author would like to express her gratitude to:

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ABSTRACT

THE EFFECTIVENESS OF GRANT FUNDS ON STUDENT ENTREPRENEURSHIP PROGRAM IN UNIVERSITAS SRIWIJAYA

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This research aims to determine the effectiveness of the implementation performance of Student Entrepreneurship Program (PMW) UNSRI in increasing interest in students' entrepreneurial abilities to become tough entrepreneurs and successfully facing global competition. In assessing the effectiveness of the performance of the UNSRI PMW implementation, this study uses indicators of effect and impact. Effect indicators include the range of target groups that can be reached by the program; The suitability of the training material with the needs; Provision of grants granted; Coaching frequency. While the Impact indicator used is an increase in student entrepreneurial knowledge and skills, an increase in the number of students involved in PMW & the number of students starting a business and an increase in business units which was successfully created.

By using a descriptive qualitative approach, the results of this study indicate that the implementation of PMW in UNSRI has not been effective in its implementation but These Ineffectiveness of implementation does not have a significant influence on the resulting outcomes which are interpreted as the achievement of impact indicators where the grants provided by UNSRI are able to increase student entrepreneurial interest and ability.

Keywords: *Student Entrepreneurship Program (PMW), Grant Funds, Entrepreneurial Students.*

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	Don't Limit your challenges, challenge your limits.

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CHAPTER 1

INTRODUCTION

1.1. Background

As the 4th country with the largest population in the world with a population of 269 million, unemployment is one of the economic problems in this country. The problem of unemployment is a national problem that needs to be solved in an integrated and synergized by government, related institutions and components of the entire community.

**Table 1.1 Open Unemployment According to Highest Education Completed
2016 – 2018**

No.	Highest Education Completed	2016 August	2017 August	2018 August
1	Never / never attended school	59,346	62,984	31,774
2	Not graduated from elementary school	384,069	404,435	326,962
3	elementary school	1,035,731	904,561	898,145
4	junior high school	1,294,483	1,274,417	1,131,214
5	Senior High School	1,950,626	1,910,829	1,930,320
6	Vocational High School	1,520,549	1,621,402	1,731,743
7	Academy/Diploma	219,736	242,937	220,932
8	University	567,235	618,758	729,601
	Total	7,031,775	7,005,262	7,000,691

Source: Statistics Indonesia 2018.

In 2016 the unemployment rate in Indonesia reached 7,031,775 people, it decreased slightly in 2017 to 7,005,262 people. From an educational background based on the data in Table 1.1, shows that the number of open unemployment with a university education background has increased, namely in 2016 (August) as many as 567.2 thousand people, then in 2017 (August) increased to 618.7

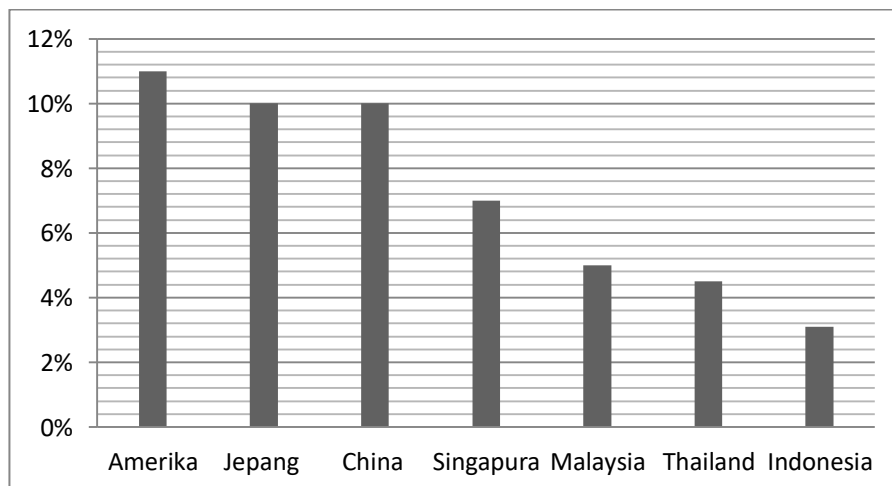
thousand people. In 2017 to 2018 (August) there was a significant increase to 729.6 thousand people (Statistik, 2018).

Thus are caused by the mindset of Indonesian people who still have the mindset of looking for work (job seekers), instead of creating a job. many are still oriented to become employees of companies or government agencies that are prestigious. The level of education that are not relevant to the needs of employment also contribute to the raise of educated unemployed in Indonesia. There are three main reasons why many higher education alumni be unemployment which are cultural barriers, the quality and relevance of the education curriculum, and the labor market (Tilaar and Nugroho, 2012).

In addition, this is due to the learning system that is implemented in various tertiary institutions where as it is more focused on how to prepare students who are quick to graduate and get jobs, rather than graduates who are ready to create jobs. Job creation is closely related to the spirit of entrepreneurship so that entrepreneurship becomes an alternative solution to reduce unemployment, especially college graduates. This has an impact on the development of entrepreneurship which in the last five years has been promoted to the university curriculum. However, the existence of entrepreneurship in the university curriculum has not been able to change the orientation of its graduates as job creators.

Entrepreneur is a person who has a superior personality, dare to take risks, determination to be independent, and tough to create a new organization or utilize

an existing organization and use capital as a tool in the process of creating creativity and innovation in order to achieve high levels of productivity as a result of entrepreneurial activity. According to Joseph Schumpeter, an entrepreneur is a person who breaks down the existing economic system by introducing new goods and services, by creating new forms of organization or processing of new raw materials. The person carries out his activities through a new business organization or can also be done in an existing business organization (Bygrave, 2010).



Source: processed from various sources

Picture 1.1 Number of Entrepreneurs compared to the country's population

Indonesia's entrepreneurs ratio in 2016 reaching 3.1%, an increase from the previous ratio of 1.67%. This means that Indonesia's entrepreneurial ratio has exceeded the country's minimum entrepreneurial ratio, which is 2% as stated by David McClelland (Kementerian Koperasi dan UKM, 2016). However, when compared to neighboring countries, it must be admitted that Indonesia is still lag behind Singapore with a percentage of 7%, Malaysia 5%, Thailand 4.5%.

America, which has so far surpassed 11 (eleven) percent of its citizens, has entered the business world. Indonesia must give extra efforts to be able to equal with developed countries such as America or at least equal to neighbor country Malaysia, which already has 5% entrepreneurs in the country.

The high unemployment rate in tertiary education graduates and the low entrepreneurial ratio in Indonesia means that tertiary institutions have important role in efforts to improve the quality and quantity of educated entrepreneurs, especially among young people, namely students. Directorate General of Higher Education as a government envoy in the management of tertiary institutions, both public and private, issued a program to stimulate student entrepreneurship. The program is called Student Entrepreneurship Program in Bahasa Program Mahasiswa Wirausaha (PMW) (Dikti, 2012).

Student Entrepreneurship Program is a program that facilitates students to start entrepreneurship with a knowledge base. The facilities provided include entrepreneurship education and training, internships, preparation of business plans, capital support and business assistance. The program is expected to be able to support the vision and mission of the government in realizing the independence of the nation through job creation and empowerment of Small and Medium Enterprises (SMEs) and be able to reduce the number of educated unemployment in Indonesia and be able to revive the Indonesian economy. In addition, the Student Entrepreneurship Program also aims to increase student entrepreneurial interest and ability (skills). With the increased interest in and entrepreneurial

skills, it is hoped that this will have a positive impact on the business continuity of students receiving PMW funds.

PMW funding source come from grant funds that is included in the DIPA of the university budget. Universitas Sriwijaya as a representative of the Director General of Higher Education has been holding PMW on an ongoing basis since 2009. However, since 2016 the Entrepreneurial Student Program (PMW) is no longer funded by the Ministry of Research, Technology and Higher Education, but in order to foster interest and entrepreneurial spirit for students who simultaneously support the rector's work program towards a world class entrepreneurial university, Universitas Sriwijaya continued this program.

Students who receiving PMW funds at Universitas Sriwijaya come from diverse backgrounds. The background means family background, social background, and so forth. This diverse background will certainly cause differences in the level of interest and ability of student entrepreneurship. In several studies mentioned that people who are in an entrepreneurial environment or have entrepreneurial knowledge will be more likely to have higher entrepreneurial interests and abilities.

In 2016, grant funds around Rp.480,000,000 was given to 46 business groups, in 2017 an increase of Rp.600,000,000 given to 93 business groups, in 2018 a grant of Rp.792,500,000 was given to 142 businesses, and in 2019 it increase significantly to Rp.899,700,000 which was granted to 146 business groups. The grants provided and the activities at PMW have not been effective in creating business units that have successfully developed (profitable). However the

most important thing from this program is not about how much profit and loss the business has, but the effectiveness of this program is judged by how big the impact of PMW on increasing the interest and entrepreneurial abilities (Skill) of students who participate in this program.

The implementation of the Student Entrepreneurship Program at UNSRI has been running for 10 years, from 2009 to 2019. As a program that has been running for 10 years, it is important to evaluate the effectiveness of the program, especially in increasing the interest and ability of student entrepreneurship. Whether it is a right decision to continue this program every year considering the grant fund given is not a small amount.

In addition, there have never been studies that revealed information about the effectiveness of the implementation of the Student Entrepreneurship Program at Universitas Sriwijaya in increasing the student interest and skills in entrepreneurship. Therefore, researcher find the need to conduct a research about "The Effectiveness of Grant funds on Student Entrepreneurship Student Program (PMW) at Sriwijaya University".

1.2. Problem Formulation

The formulation of problem as follows:

1. how is the effectiveness of PMW implementation at Sriwijaya University?
2. How is the effectiveness of Student Entrepreneurship Programs in increasing student entrepreneurial interest and skill?

1.3. Research purpose

Based on the problem formulation in this study the objectives are:

1. To find out the level of success of the Student Entrepreneurship Program in Sriwijaya University.
2. To find out the effectiveness of the Student Entrepreneurial Program in increasing student interest and skill in entrepreneurship.

1.4. Research Benefits

The benefits of this research are as follows:

1. For Academics: As a reference material for further research in conducting the same research and contributing thoughts about economic development in the public sector accounting.
2. For Policy Providers / Practitioners: as input and recommendations for policy makers, especially in the field of providing capital assistance both micro and macro, which mediate the budget and turnover and profit of business actors in an effort to encourage the improvement of specified policies.