



# FACTORS INFLUENCING ENTREPRENEURIAL INTEREST IN AGRICULTURE (CASE STUDY: YOUNG GENERATION IN TINADA DISTRICT, PAKPAK BHARAT REGENCY)

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## ABSTRACT

*This study aims to determine the factors that influence the entrepreneurial interest of the younger generation in the agricultural sector in Tinada District, Pakpak Bharat Regency. This type of research is quantitative in nature. The population of this research is the young generation in Tinada District with the sampling technique used, namely engineering proportional stratified random sampling. The questionnaire measurement scale uses a Likert scale which has been tested for validity and reliability. The results of the research show that the *t* test carried out proves: 1) the existence of a negative and significant influence of the family environment on entrepreneurial interest in the agricultural sector ( $t_{count-6,411} > t_{table1.663}$  and significance  $0.000 < 0.05$ ), 2) there is a positive and significant influence of income expectations on entrepreneurial interest in agriculture ( $t_{count7, 792} > t_{table1.663}$  and a significance of  $0.000 < 0.05$ ), 3) there is a negative and significant influence of the level of education on interest in entrepreneurship in the agricultural sector ( $t_{count-6,179} > t_{table1.663}$  and significance  $0.000 < 0.05$ ). For the *F* test, this research shows that there is a positive and*

*significant influence of family environment, income expectations, level of education on entrepreneurial interest in agriculture ( $F_{count} 45,812 > F_{table} 2.72$  and significance  $0.000 < 0.05$ ). Meanwhile onadjusted r square shows that the joint results between the dependent variables in this study were 61.3% and the remaining 38.7% of the increase was influenced by other variables or factors that were not explained by this thesis research.*

**Keywords:** interests; entrepreneurship; generation; family; education

### **ABSTRAK**

Penelitian ini bertujuan untuk mengetahui faktor-faktor yang mempengaruhi minat berwirausaha generasi muda di sektor pertanian di Kecamatan Tinada Kabupaten Pakpak Bharat. Jenis penelitian ini bersifat kuantitatif. Populasi penelitian ini adalah generasi muda di Kecamatan Tinada dengan teknik pengambilan sampel yang digunakan yaitu teknik proporsional stratified random sampling. Skala pengukuran kuesioner menggunakan skala likert yang telah teruji validitas dan reliabilitasnya. Hasil penelitian menunjukkan bahwa uji t yang dilakukan membuktikan: 1) adanya pengaruh negatif dan signifikan lingkungan keluarga terhadap minat berwirausaha di sektor pertanian ( $t_{hitung} -6,411 > t_{tabel} 1,663$  dan signifikansi  $0,000 < 0,05$ ), 2) terdapat pengaruh positif dan signifikan harapan pendapatan terhadap minat berwirausaha di sektor pertanian ( $t_{hitung} 7,792 > t_{tabel} 1,663$  dan signifikansi  $0,000 < 0,05$ ), 3) terdapat pengaruh negatif dan signifikan tingkat pendidikan terhadap minat berwirausaha di sektor pertanian ( $t_{hitung} -6,179 > t_{tabel} 1,663$  dan signifikansi  $0,000 < 0,05$ ). Untuk uji F, penelitian ini menunjukkan bahwa terdapat pengaruh positif dan signifikan antara lingkungan keluarga, harapan pendapatan, tingkat pendidikan terhadap minat berwirausaha di bidang pertanian ( $F_{hitung} 45,812 > F_{tabel} 2,72$  dan signifikansi  $0,000 < 0,05$ ). Hasil gabungan antar variabel dependen dalam penelitian ini sebesar 61,3% dan sisanya sebesar 38,7% peningkatannya dipengaruhi oleh variabel atau faktor lain yang tidak dijelaskan oleh penelitian tesis ini.

**Kata Kunci:** minat; kewirausahaan; generasi; keluarga; pendidikan

## A. INTRODUCTION

Increasing entrepreneurship in the agricultural sector in Indonesia is seen as a very important basis for realizing economic growth because it is considered able to overcome development problems, such as creating new jobs (Mukti et al. 2022). Based on data from the Central Statistics Agency (BPS, 2018), the agricultural sector was able to absorb 30.46% more workers than other sectors Indonesia (Marliyah & Novera, 2021). According to the BPS National Labor Force Survey (2018), the agricultural sector was second with 28.06% providing employment opportunities (Sopfan et al. 2022).

However, what is currently happening in Indonesia is a farmer regeneration emergency that is not going well, including the phenomenon of increasingly aging Indonesian farmers (*aging farmer*) and the young generation's low interest in making the agricultural sector their main job (Hermawansyah et al. 2019). There are 38.77 million Indonesian farmers, of which the total number of farmers are generational farmers *baby boomers* those born in 1946-1964 were 34.41% and generation In 2008, it was only 2.24%, so it can be seen that this generation of farmers is declining and aging, the dominant almost 70% are over 50 years old and 80% have basic education, at most junior high school, while college graduates are no more than 2% (Sakernas BPS, 2021).

As is happening nationally, the trend of decreasing interest of the younger generation in agricultural work also occur in Pakpak Bharat, especially in the Tinada District. Based on data from the Tinada District Agricultural Extension Center for 2022, the number of residents in households who work as farmers is 820. The large number of workers in the agricultural sector who move to other sectors indicates that the younger generation considers entrepreneurship in the agricultural sector to be unattractive and is considered a job whose profession is not prestigious. Many young people who are expected to succeed in agricultural sustainability are

no longer interested in working in the agricultural sector. An increasing number of younger generations are choosing to become urbanites by leaving the villages to look for work in the city to try their luck in big cities or work in companies as employees or industrial workers.

This is due to many factors that greatly influence a person's interest in pursuing entrepreneurship in the agricultural sector. Internal and external factors influence the younger generation's interest in entrepreneurship. Internal factors are those that come from within students to encourage them to become entrepreneurs, such as motivation themselves, while external factors influence youth from outside, such as education, family environment, income expectations, and views on freedom in work, when becoming entrepreneurs (Santoso et al, 2019). Therefore, the view of agriculture must change through the role of the government. Involving and encouraging the Indonesian Ministry of Agriculture to issue the 2016 Young Agricultural Entrepreneurship Growth Program (PWMP) (Marliyah & Novera, 2021), providing farmer groups in each village, market access facilities, capital, and cooperation. This program aims to foster the regeneration of human resources in the agricultural sector to increase interest in entrepreneurship in the agricultural sector. Therefore, it is essential to analysis of Factors that Influence Entrepreneurial Interest young generation in agriculture.

## **B. METHOD**

This study was conducted for December – March 2023 in Tinada District, Pakpak Bharat Regency. This study uses a case study design. This study was conducted using the survey method. In this study, researchers used a proportional stratified sampling technique (*proportional stratified random sampling*). The number of samples that will be taken in this research is 86 young people, who are then divided into each village based on age groups in Tinada District so that the distribution is according to portions.

## C. RESULTS AND DISCUSSION

### Characteristics of Respondents Based on Gender

Table 1 show the gender, age, and the educational levels of the respondent majority are women, between 18 and 26 years old, and senior high school. Education is a conscious and planned effort to improve the quality of human life and different levels of education create different work orientations. Young people with low education will realize that they have very little opportunity outside the agricultural sector, while young people with higher education tends to work outside the agricultural sector, meaning that the level of education influences the younger generation's interest in entrepreneurship in the agricultural sector. Apart from the environment, the maturity and mindset of a young generation are influenced by the increasing age of a person. The wisdom of decision-making for adults is greatly influenced by the maturity of thinking. This can be seen in the way a person socializes in society and their interest in a job.

Table 1. Characteristic of Respondents in the Young Generation in Tinada District

No	Characteristic of respondent		%
1	Gender (%)	Man	45
		Woman	55
2	Education level (%)	Higher Education	32
		Senior High school	62
		Yunior high school	5
		Elementary school	1

Source: Primary Data, 2024

### Factors Influencing Entrepreneurial Interest in Agriculture

The multiple linear regression analysis method aims to estimate changes in the response of the dependent variable to several independent variables. The Sig value of variable  $X_1$  towards

entrepreneurial interest in the agricultural sector (Y) has a significance level of  $0.000 < 0.05$ , and the t value  $\text{count } -6,411 > \text{t table } 1,663$ . It can be concluded that family environment influences the interest of the younger generation into entrepreneurship in the agricultural sector. Following equation model can be identified and formulated as below.

$$Y = 26.174 - 0.574X_1 + 0.758 X_2 - 0.479 X_3 + e$$

From the real results in the field, it can be seen that the family environment has a significant impact on the interest of the younger generation in Tinada District in becoming an entrepreneur in the agricultural sector. Several influencing factors include the family background, traditions, habits, and parental support. When the family environment provides strong support, a person's interest in becoming an entrepreneur tends to increase. However, there are several challenges faced by the younger generations at the research location. For example the family hopes to pursue a profession in another field that is considered more stable or prestigious. In addition, the habit of looking for work outside the city is supported more than pursuing a career in agriculture. This is because of perceptions of better income levels outside the city or a lack of opportunities in local farming. In addition to internal factors in the family environment, poor economic conditions are also influential factors. To stimulate the younger generation's interest in entrepreneurship in the agricultural sector, efforts need to be made to change perceptions about stability and income potential in agriculture, as well as provide strong support from the family environment and society as a whole. Training programs, capital assistance, and the development of agricultural infrastructure can also help create a conducive environment for the development of agricultural entrepreneurship in the Tinada District.

## **The influence of the Income Expectation variable on entrepreneurial interest in the agricultural sector**

The regression coefficient value of 7.792 is positive, indicating that the greater the value of the income expectation variable, the greater the interest of the younger generations. Income expectations have a real influence on the interest of the younger generation in becoming entrepreneurs in the agricultural sector in the Tinada sub-district. Expectations of better income can be a strong motivator for the young generation in Tinada District to choose agriculture as a career path. If they believe that agriculture can provide sufficient income to meet their living needs or even improve their standard of living, they are more likely to be interested in getting involved in that field. When the expected income from entrepreneurship in the agricultural sector is high, this can also increase their interest in starting business in that sector. The perception that agriculture can generate competitive or even higher incomes than other jobs may encourage the younger generation to see agriculture as a promising career option. Thus, the higher the expectation of income generated from entrepreneurship, the higher the interest in starting a business in the agricultural sector.

Education level variable has a significant negative effect on the young generation's interest variable in entrepreneurship in the agricultural sector of the Tinada (Y) sub district. The level of education has a significant influence on the interest of the younger generation in the agricultural sector in the Tinada District. This can be explained by the differences in work orientation among youth different levels of education. Youths who have less education may realize that opportunities outside the agricultural sector are very limited, so they tend to be more interested in opportunities available in the agricultural sector. This could be due to a better understanding of work in the agricultural sector, as they may have been involved in agricultural work since childhood, or because they realize that their

options outside of farming are limited. On the other hand, the younger generation in Tinada District, who has higher education, tends to see work outside the agricultural sector as a more attractive option. They may see jobs in other sectors as more prestigious or as having higher earnings potential, especially because they have a higher educational background that would open the door to more challenging or high-ranking jobs.

#### **D. CONCLUSION**

This study shows that factors that influence entrepreneurial interest in agriculture are family environment (X1), Income Expectation (X2), and Education Level (X3). All variable have a significant influence on the interest of the younger generation in entrepreneurship in the agricultural sector in the Tinada District, Pakpak Bharat Regency. Income expectation aspect has positive impact to interest youth generation to become an entrepreneur.

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