

NEEDS EVALUATION OF ENTREPRENEURSHIP POLICY AT THE AGENDA-SETTING STAGE

Isti Raafaldini Mirzanti*
Institut Teknologi Bandung

Togar M. Simatupang
Institut Teknologi Bandung

Dwi Larso
Institut Teknologi Bandung

Dohar Bob M. Situmorang
Rumah Sanur Creative Hub

ABSTRACT

This article aims to evaluate entrepreneurship policy at the agenda-setting stage and to answer whether or not entrepreneurship programs fit the public or entrepreneur's needs. The agenda-setting stage is one of the stages in policy life cycle, the process of which focuses on which problems and alternative solutions gain or lose public elite's attention. At this stage, groups, powers, and agenda interact to set the boundaries of political policy debate. Public actors could consider the agenda setting as a mechanism for filtering of problems. The research approach taken in this study is stakeholder analysis in order to determine stakeholder engagement and program sustainability. Elite interview is conducted as one of the techniques to collect the data. The result shows that both New Entrepreneurs Creation Program (*Program Wirausaha Baru* or WUB) and Soft Loan Program (*Kredit Cinta Rakyat* or KCR) have followed the same procedure in the agenda-setting stage of policy making. Effectiveness indicators of needs evaluation are mostly considered to be high, both for stakeholder engagement and program sustainability.

Keywords: Entrepreneurship Policy Evaluation; Needs Evaluation; Stakeholder Analysis; Stakeholder Engagement; Program Sustainability.

1. INTRODUCTION

In developing entrepreneurship, government policy has a significant influence in establishing the environment and creating the infrastructure that supports entrepreneurship. Entrepreneurship has emerged as a focus of public policy so governments should be alert and observant to the issuing of entrepreneurship policy. When it comes to entrepreneurship policy, one size does not fit all. Governments can only provide an underlying conducive environment to the emergence of productive entrepreneurship (Minniti, 2008).

*Corresponding author: Institut Teknologi Bandung, Jl. Ganesa No. 10, Bandung 40132, Indonesia. Email: isti@sbm-itb.ac.id

In Indonesia, entrepreneurship has started growing when an economic crisis happened in 1998, during which there were a great number of people losing their job and trying to survive by creating a small business (Mirzanti et al., 2015). Consequently, there has been a number of schools at various levels of education, either regular or vocational, offering entrepreneurship Courses. In addition, previous research from the 2014's Global Entrepreneurship Monitor Indonesia Report reveals the social value of entrepreneurship, with people (i.e. Indonesian adults) perceiving entrepreneurship as a good career choice (Nawangpalupi et al., 2015). In a survey, 72.9% of the Indonesian population agree that being an entrepreneur is a good career choice, with most being young adults of 25 to 34 years old (Nawangpalupi et al., 2015). This indicates that there is a tendency of the younger generation's orientation to be self-employed, instead of working as an employee.

The government both at the national and regional level has given full attention to entrepreneurship policy to support the development of entrepreneurship. There are 12 entrepreneurship programs at the national level: Incubator Business Center, Youths Agriculture Generations, Entrepreneurship Training, Entrepreneurship Program, Center for Learning Community Activities (PKBM), National Entrepreneurship Movement (GKN), National Industrial Policy, Regional IT Center of Excellence (RICE), Community Entrepreneurship Program (PKM), Training for SME Consultancy Trainer, Scholarship Program for Trainer, and Soft Loan (KUR). At the regional level, particularly in the West Java Province, there are at least 2 programs: soft loan program called KCR and new entrepreneurs' creation called WUB (Mirzanti et al., 2015). Nevertheless, the number of entrepreneurs in Indonesia has not significantly increased. A survey conducted by the Global Entrepreneurship Monitor (GEM) shows that the new business ownership rate for Indonesia is 10.1%, compared to Philippines (10.5%), Thailand (16.7%), and Vietnam 13.3% (Singer et al., 2015). Thus, the rising question is whether existing entrepreneurship programs match the public or entrepreneurs' conditions in the context of Indonesia. From this problem statement, this research investigates the way to evaluate entrepreneurship policy, the method used to evaluate entrepreneurship policy, and the appropriate indicators to measure the effectiveness of entrepreneurship policy.

This paper is structured as follows. The second section is concerned with delineating existing research and theoretical backgrounds related to entrepreneurship policy evaluation. The third section explains the research method used to answer the research questions, demonstrating a systematic searching process. The fourth section presents the research findings. The fifth section details the analysis and discussion of the research findings. Finally, the sixth section deals with the conclusion of the research and suggestion for further research.

2. LITERATURE REVIEW

Entrepreneurship is defined as a set of activities of creating new organizations, including both independent start-ups and spin-offs. The activities include owning and operating a business (start-up firm, existing firm), making a profit through identifying or creating opportunities, developing markets, managing resources, and producing and selling goods or services. The entrepreneurs (i.e. those involved in entrepreneurship), who can be an individual, a team or an organization, are essentially self-employed, performing work for

personal profits rather than for wages paid by others. They continue expanding new businesses with high expectations under the condition of uncertainty in order to create an added value by using creativity, innovation, and technology (Schumpeter, 1942; Reynolds et al., 1999; Hatten, 2015; Bygrave and Hofer, 1991; Ahmad and Seymour, 2008; Shane and Venkataraman, 2000; and Drucker, 1985).

Government policy is the part of environmental factors that should support the development of entrepreneurship. Lundström and Stevenson (2005) define the term entrepreneurship policy as a policy taken to stimulate entrepreneurship at the pre-start, start-up, and early post start-up phases of the entrepreneurial process. Reynolds et al. (1999) emphasize that the aim of entrepreneurship policy is to foster a socially optimal level of venturing; to raise the level of entrepreneurship. Thus, entrepreneurship policy has a bearing not only on actual entrepreneurs but also on nascent entrepreneurs who are seriously considering starting a business (Vedung, 1997). Many governments pay attention to entrepreneurship policy and they implement policies to boost entrepreneurship (Minniti, 2008). The form of entrepreneurship policy can vary; it can be a government's general program or a sphere of activities that are relatively specific and quite clearly determined. Such a program usually includes a range of activities that carry endorsement or legislation and the organization and mobilization of resources required (Hogwood and Gunn, 1984).

2.1. Policy Life Cycle

Similar to business life cycle, the policy has its life cycle, consisting of the agenda-setting stage, policy formulation phase, implementation phase, and evaluation phase (Fischer et al., 2007)¹. *Agenda setting* is a process by which problem and alternative solutions gain or lose public elite attention. The competition to set the agenda is fierce (Fischer et al., 2007). At this stage, groups, powers, and agenda interact to set the boundaries of political policy debate. Public actors could consider the agenda setting as a mechanism for filtering of problems. *Policy formulation* is a critical phase of the policy process. It is a part of the pre-decision phase of policy making. It involves identifying and/or crafting a set of policy alternatives to address the problem and narrowing that set of solutions in preparation for the final policy decision. Policy formulation takes place in government bureaucracies, in interest group office, in legislative committee rooms, in a meeting of special commissions, with details often formulated by staff (Fischer et al., 2007). Selection of objectives, instruments, and procedures will be implemented to resolve the problem under consideration. The *implementation* phase consists of the adaptation of the policy program that is put into concrete situations (production of outputs). Lastly, the *evaluation* phase aims to determine the results and effects of a policy, in terms of the changes in the behavior of target groups (impacts) and problem resolution (outcomes). This research focuses on the evaluation of entrepreneurship policy at the agenda-setting stage.

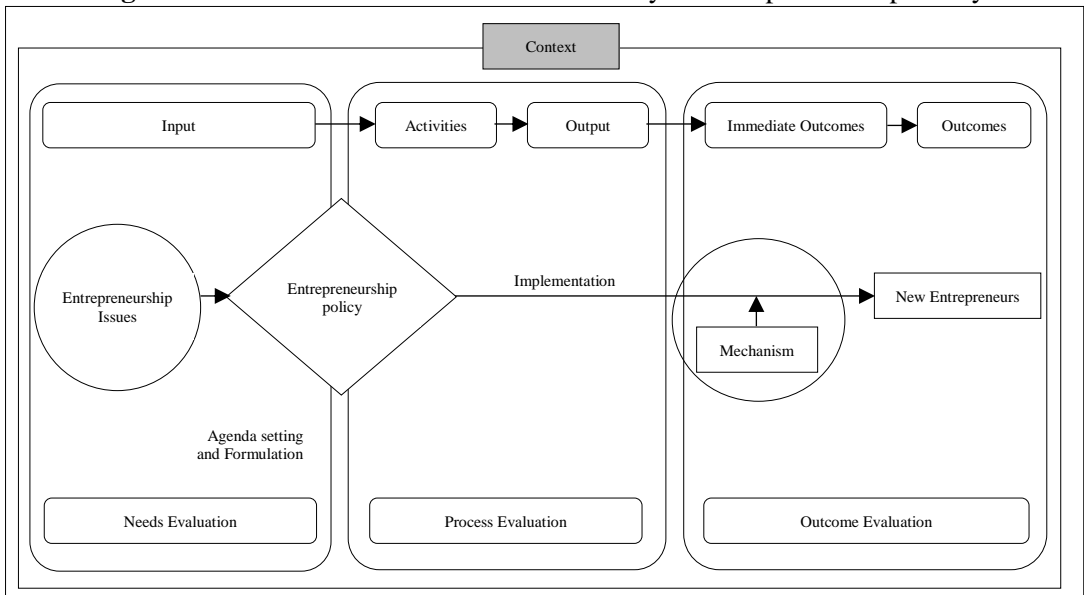
2.2. Needs Evaluation: An Early Stage of Policy Evaluation

In the evaluation phase, the government has used an economic approach using cost and benefit analysis to evaluate policy. However, cost and benefit analysis lacks stakeholders'

¹ The Indonesian State Ministry of National Development Planning uses the Fischer et al.'s (2007) model, making the adopting of the model relevant to the current research.

involvement for it only discusses the allocation and absorption of the budget. Entrepreneurs' perspectives are indeed necessary in order to justify and to make validation whether entrepreneurs who are influenced by this policy, get benefit from this policy (Mirzanti et al., 2015). The model used in evaluating entrepreneurship policy is adopted from the Logic Model and Evaluation Objects developed by Balthasar (2011). According to Balthasar (2011), the inputs of a program are its goals. This is where the needs evaluation is conducted. Program activities are the explanation of what the program does with the resources and frequently the object of process evaluations (Vedung, 1997). The process evaluation is conducted at the program activities. While, the outputs are the products and services delivered directly by a program and directed toward its target groups. Outcomes have to do with the target groups, whose behaviors are to be changed by the program. Target groups include any persons or institutions that come into direct contact with the output and from whom a response is usually expected, the outcome evaluation is conducted at this stage. The implementation process is characterized by the actions of multiple levels of agencies, institutions, organizations, and their actors. Also, it is influenced by the context (Balthasar, 2011).

Figure 1: A Framework of the Evaluative Study of Entrepreneurship Policy



Source: Adopted from Balthasar (2011)

Figure 1 shows a framework of the evaluative study of entrepreneurship policy. Given that the evaluation being discussed is focused on the agenda-setting stage, it is the *needs evaluation* that is especially relevant to the current research. An evaluation that is conducted in the early stage of the policy cycle is also known as *ex-ante* evaluation. According to Chinman et al. (2004), needs evaluation is a systematic process of gathering information about the current conditions of a targeted area that underlies the “needs” for an intervention. Needs evaluation is used to learn what people or communities expect to achieve in general or in particular related to a specific issue (Kahan, 2008). In needs

evaluation, the objective is to figure out the needs of entrepreneurship policy, which is addressed through existing programs, verifying and mapping the extent of a problem. It answers questions about the number and characteristics of the individuals or institutions that would constitute the targets of a program to address the problem. Needs evaluation can help design a new program or justify the continuation of an existing program. A needs evaluation is often the first step taken by an organization to determine a need for a program. A met need is a need that is currently being addressed through existing program that is available, appropriate and accessible, while an unmet need is one where individuals are aware of their need for the program but do not access the program. A severe need exists when there is a complex combination of adverse program and socioeconomic circumstances of a population to be served that prevent individuals from accessing the program.

More specifically, needs evaluation aims to evaluate two main attributes: *stakeholder engagement* (i.e. the engagement of stakeholders to entrepreneurship policy) and *program sustainability* of entrepreneurship policy (i.e. the continuity of entrepreneurship policy) (Mirzanti et al., 2015). Stakeholder engagement is the means of achieving the goal, defined as the process used by an organization to engage relevant stakeholders for a purpose to achieve accepted outcomes (Young et al., 2015). It is determined in terms of stakeholders' needs and involvement (Mirzanti et al., 2015). Stakeholders' needs entail that the issues or the problems to solve emerge from the stakeholders and the program or entrepreneurship policy itself is considered to be their needs. For example, if there are certain formal procedures that can capture stakeholders' needs, they need to be included in the government's agenda setting. Stakeholders' involvement is defined as a process that involves stakeholders in making the entrepreneurship itself. It is expected that involving stakeholders or enabling stakeholders' participation at the agenda-setting stage will increase the quality of the policy. By involving stakeholders in the policy process, it is possible to know every viewpoint or experience on a given issue or program area (Preskill and Jones, 2009).

The second one, program sustainability is defined as the commitment and the power of government to continue delivering and maintain the policy that effectively gives impact to the society. In other words, it is about being persistent in implementing the entrepreneurship policy, which is embedded in the government's agenda setting. Entrepreneurship policy should be continuously implemented and improved in order to reach the goal(s). Based on Schell et al. (2013), sustainability is the ability to maintain a program and its benefits over time. In this context, program sustainability is determined in terms of stakeholders' commitment and power. Stakeholders' commitment is defined as the government's ability to implement and run entrepreneurship policy as planned and in line with their planning while stakeholders' power is defined by the government's ability to put entrepreneurship policy in their program regardless of changes in political power.

In order to find out the effectiveness of entrepreneurship policy, there is a need to create effectiveness indicators. According to Strengthening Nonprofits (2014), an effectiveness indicator is a way to measure the impact of the intervention. The measurement itself is "a systematic way to assess the extent to which a program has achieved its intended results" (p. 6). The effectiveness indicators of needs evaluation show that the policy process at the

agenda-setting stage has the goal such as stakeholder engagement and program sustainability. Stakeholder engagement consists of stakeholder needs and stakeholder involvement. Stakeholder needs entail that the issues or the problems to solve come up from the stakeholders and the program or the entrepreneurship policy itself is considered to be their needs. Suppose, there are certain and formal procedures that can capture stakeholder needs and they are included in the government's agenda setting. Stakeholder involvement entails a process that involves stakeholders in making the entrepreneurship policy itself (Mirzanti et al., 2015). Program sustainability is related to the government's commitment to being persistent in implementing entrepreneurship policy by inserting it in the government's agenda setting. Thus, entrepreneurship policy should be continuously implemented and improved in order to reach the goals. Based on Schell et al. (2013), sustainability is the ability to maintain a program and its benefits over time. In this context, program sustainability is determined by stakeholder's commitment and stakeholder's power.

3. RESEARCH METHODS

3.1. Cases

Given that this research focuses on the evaluation of entrepreneurship policy at the agenda-setting stage, two cases of entrepreneurship policy are studied: *Wirausaha Baru* (WUB) or New Entrepreneurs Creation program and *Kredit Cinta Rakyat* (KCR) or Soft Loan program. These programs are implemented in the West Java province. Case selection is based on the priority of the local government's programs.

(a) *Wirausaha Baru (WUB)*

The creation of one hundred thousand (100.000) new entrepreneurs is one of the priority programs of the West Java's provincial government. The purpose of this program is to create business opportunity in order to increase the local economy with the support of various parties. New entrepreneurs are individuals who have been selected as the participants of this program; they have had 0 to 5 years of business experience and fulfilled the program's requirements. The target of a hundred thousand (100.000) young entrepreneurs is determined by the provincial government of West Java within 13 departments (i.e. Cooperative and Small and Medium Enterprise, Industry and Trade, Manpower and Transmigration, Marine Affairs and Fisheries, Animal Husbandry, Plantation, Forestry, Culture and Tourism, Energy and Human Resource, Sports and Youth, Education, Health Department) for the period of five years from 2014 to 2019.

(b) *Kredit Cinta Rakyat (KCR)*.

KCR is loan granted to individuals or entities of small and micro enterprises (SMEs) in the productive sectors (e.g. food corps, plantation, farming, fishing, forestry, industrial, mining and other sectors) living in the West Java province as their working capital or investment. People can apply for KCR for a maximum of 20 million Indonesian Rupiahs (IDR) for micro businesses and 20 to 50 million IDR for small businesses. A payback period is a maximum of 3 (three) years for the working capital loans and a maximum of 5 (five) years for the investment loans. In terms of credit guarantee, which is a guarantee

for loans to cover banking risks, the creditors have an obligation to give a guarantee for the soft loan estimated around 60% from the credit. In performing this KCR program, the provincial government of West Java cooperates with a banking institution, which is *PT. Bank Pembangunan Daerah Jawa Barat dan Banten Tbk.* (or BJB).

3.2. Research Flow

(a) Inputs

Needs evaluation involves elite interviewees, identified as primary stakeholders such as policy planners and policymakers in the Regional Development Planning Institute (i.e. *Badan Perencanaan Pembangunan Daerah* or *Bappeda*) and West Java government. The elite interviews were conducted at the *Bappeda* office and West Java government office. All interviews took a total of about four hours. The interviewees from the *Bappeda* office included the Head of the Economic Section and the Head of *Bappeda* itself while the West Java government officers included the Head of the Bureau of Economy of the West Java Province and its staff members.

(b) Methods

The approach to needs evaluation taken was the stakeholder analysis technique and the data collection was attempted by review of documents related to entrepreneurship policy (RPJMD 2013-2018) and recorded, semi-structured, interviews of stakeholders (including elite interviewees). RPJMD stands for *Rencana Pembangunan Jangka Menengah Daerah* or Medium Term Development Plan. RPJMD is a regional development-planning document covering a period of five years, containing the vision and mission of the Regional Head, the directions of various development policies in a given period, including programs and strategic activities and particularly campaign promises of governors and the Common Goals of the focus targets. Data were analyzed using process tracing; data were reviewed and traced based on the attributes of stakeholder engagement and program sustainability. Data analysis was also equipped with data triangulation from trace evidence found.

(c) Expected Outcomes

Table 1: Attributes and Criteria of Needs Evaluation

Attributes	Criteria	References
Stakeholder Engagement (Needs and Involvement)	• Issues come up from stakeholders based on their needs	Young et al. (2015) Wholey et al. (2010)
	• Stakeholders' involvement in regulation or policy making	Chinman et al. (2004) Preskill and Jones (2009)
Program Sustainability (Commitment and Power)	• Alignment with government's planning	
	• Alignment with local government's planning and priorities	Schell et al. (2013)
	• Contained in local government's program	Natural Resources Canada (2011)

The goals of needs evaluation are to identify the attributes to evaluate needs evaluation and to measure the effectiveness indicators of needs evaluation. This research provides the attribute and criteria of needs evaluation, as shown in Table 1. The attributes explain what to be evaluated in needs evaluation, while the effectiveness indicators define what are called as high, medium, and low, in term of policy-making indicators.

Figure 2: A Research Flow of Needs Evaluation

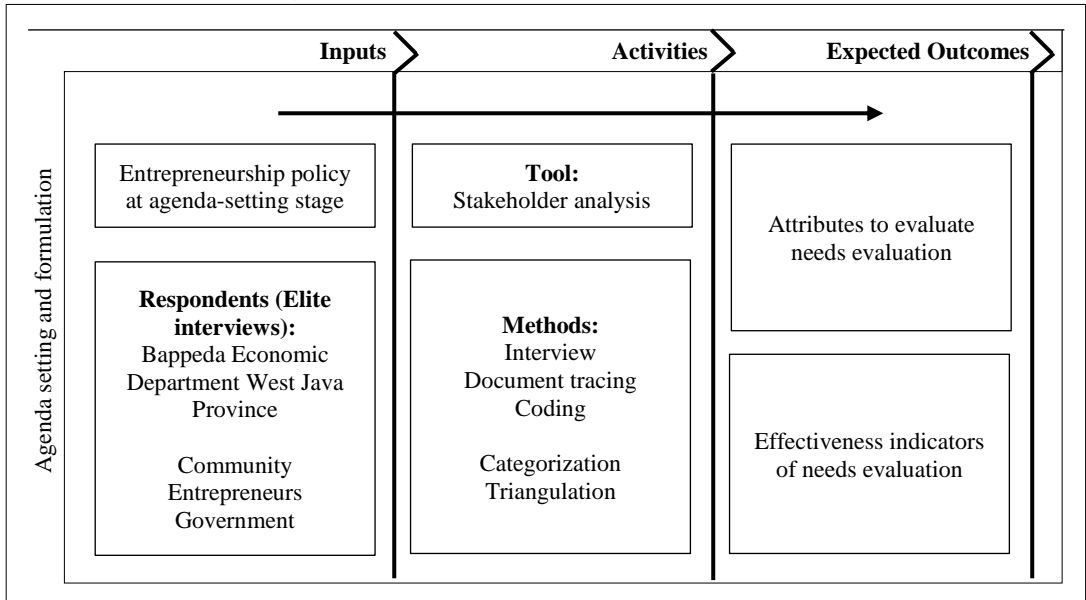


Table 2: Effectiveness Indicators of Needs Evaluation (Mirzanti et al., 2015)

Indicators	High	Medium	Low
Stakeholder Engagement	There is stakeholders' involvement in the process of policy making There is evidence to strengthen the process of stakeholder engagement	There is stakeholders' involvement in the process of policy making There is no evidence to strengthen the process of stakeholder engagement	There is no stakeholders' involvement in the process of policy making There is no evidence to strengthen the process of stakeholder engagement
Program Sustainability	Aligned with agenda-setting and others government documents (such as document of government plan) There is evidence to strengthen the process of program sustainability	Aligned with agenda-setting and others government documents (such as document of government plan) There is no evidence to strengthen the process of program sustainability	Not aligned with agenda-setting and others government documents (such as document of government plan) There is no evidence to strengthen the process of program sustainability

The program is determined to be “High” in needs evaluation if the program contains stakeholder involvement in the process of policy-making and there is a formal procedure

related to the process of stakeholder engagement. In addition, the program is determined to be “High” if the program is aligned with agenda setting and another document and there is a formal procedure. The program is determined to be “Medium” if the program contains the stakeholder involvement and participation in the process of policy making but there is no evidence to strengthen the purpose. Further, the program is determined to be “Medium” if the program is aligned with agenda setting and another document but there is no evidence to strengthen the purpose. The program is determined to be “Low” if the program does not contain stakeholder participation in the process of policy making and there is no evidence to strengthen the purpose. The program is determined to be “Low” if the program is not aligned with agenda setting and there is no evidence to strengthen the purpose (Mirzanti et al., 2015).

4. RESEARCH FINDINGS

4.1. Interviews

Table 3 and Table 4 present some of the interview excerpts related to, respectively, the stakeholder engagement aspect and program sustainability aspect of needs evaluation. In terms of needs evaluation, both KCR and WUB are following the same agenda setting process.

Table 3: Interview Excerpts Related to the Stakeholder Engagement Aspect of Needs Evaluation

“... Entrepreneurship has become the need of society, meaning that the program will be maintained, although the name could change to any ... Because this program is based on the data; the current condition; and the experience... and it is already aligned with the concern of policymakers. So, even though the politics have not come yet, actually we are already in our own way to conduct this program.”

“RPJP (*Rencana Pembangunan Jangka Panjang* or Long Term Development Plan), defines as a national development planning document for a period of 20 (twenty) years; RPJM (*Rencana Pembangunan Jangka Menengah* or Medium Term Development Plan), defines as a national development planning document for a period of five (5) year and; RKP (*Rencana Kerja Pemerintah/ Government Work Plan*) are in the central and regional level of governance. Well, these documents are the output, while the process of creating the document is called the Meeting of Development and Planning. Development and Planning, according to the rule, must be done through the mechanism of Development and Planning at the village level first ... and moving forward to an upper level of governance ... this is how the idea comes from stakeholders. Top- down and bottom-up approach.”

“The process is... conducting Development and Planning at the village level then Development and Planning at the district level, the government level ... and then to Development and Planning at the city level, then Development and Planning at Province and national level”.

Table 3: Interview Excerpts Related to the Stakeholder Engagement Aspect of Needs Evaluation (con't)

“It’s started from the bottom line level of stakeholders then brought to the national. Development and Planning at the national level are conducted at *Bappenas*... so that is the process of how the desires or the objectives of the policy are based on the aspirations of society.”

“The process is done simultaneously according to the Laws of SPN [National Planning System], No. 25/2004. Well, that mechanism is managed and ordered by the time set ... the planning is done by the order of the time, so it must be conducted in the village at first.”

Table 4: Interview Excerpts Related to the Program Sustainability Aspect of Needs Evaluation

“When we arranged the document, it should have had a correlation and synchronized with National Policy Planning called as RPJMN, so are the President’s programs Mr. Jokowi [President]. There should be a correlation between the President’s programs and RPJMN. It is also the same at the regional level.”

“There should be a suitability and alignment between the center and the region(s), the center is from national, province and district, so there should be synchronized and interrelated.”

“Planning of long term periods is around 20 years - 25 years, called RPJPN ... at that time, policymakers announce to the chosen candidates either national or regional, if they create programs, there are 5 years medium-term period for that. So they can create their program as their promises, vision, mission, aligned with RPJMN or RPJMD.”

“There will be no program that is not in accordance with National Government's long-term plans (RPJMN or RPJMD)”.

“*Bappeda* always does the evaluation ...of course, the good things will be maintained ...Well, the dynamic of five-year governance is political.”

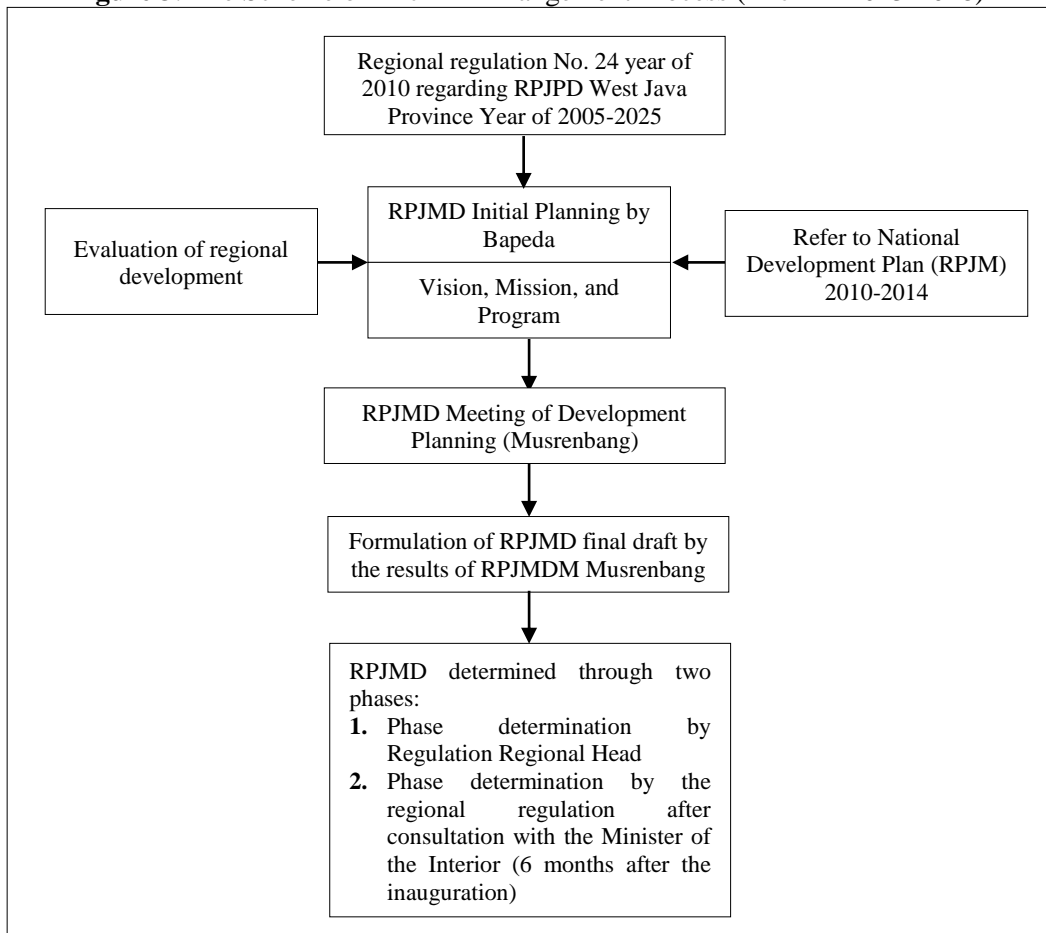
“In terms of planning, there are four points: technocratic, top- down, bottom-up, and then political planning. Well, those points are revealed in the Laws. While the political changes happen every five-year, there is a turnover of regional leaders every five-year, but the basis of development and planning, there is a long-term Planning called RPJP.”

“Well, in terms of the decision to stop or to continue the programs actually depends on the policy ... the policy of the new incumbent, however, basically in terms of entrepreneurship, the government supports the development of small businesses. Actually, those programs have already run well, such as KCR, soft loan or capital financing for SME. At the national level, there is KUR. It provides financial access to capital, now the policy is mutually supported. Previously it is done sporadically, but now, it is already included in department's duties. So in the future, it may only the matter of name or label, but the objective is still the same.”

Table 4: Interview Excerpts Related to the Program Sustainability Aspect of Needs Evaluation (con't)

“Yes. We create new entrepreneurs. If we are talking about the name of the campaign, then it should be easy to remember the name or sophisticated name, that's why the government called it Creating New Entrepreneurs Program [WUB]. Actually, those programs have already been included in government's duties and functions and those programs are running well, in fact, there is a support to develop SMEs.”

4.2. Document Review

Figure 3: The Scheme of RPJMD Arrangement Process (RPJMD 2013-2018)

Based on document review, it is found that in the policy-making process, there is a procedure conducted through the involvement of stakeholders. The procedure is called ‘Development and Planning,’ in which stakeholders’ needs are collected onto a working

agenda which would later be narrowed down to be government plans after going through next steps. The needs that are identified and obtained from stakeholders will be formulated together with government's visions and missions and as well as government's initial plan.

In order to make a policy or program, the government follows procedures based on the Act Number 25 Year 2004 about the National Planning System. At the agenda-setting stage, a program should refer to the foundation of RPJMD; thus, the emergence of a program would be impossible if it did not reveal in the planning document. The policy-making process can be seen in Figure 3, which is the *RPJMD* arrangement process in which the creation of *RPJMD* is intertwined with *RPJMN* and other documents. The procedure scheme is evidence that the creation of *RPJMD* is consistent with and based on the related documents mentioned above (*RPJMN*, *RPJP*). This means that in the process of policymaking, it always includes the participation of all stakeholders through a meeting called 'Development and Planning.' The sustainability of the program can be defined in terms of how regional governments maintain and are always committed to conducting the entrepreneurship policy. It is shown from the process scheme, where the program conducted is always aligned with other documents.

In order to determine whether the needs evaluation have been managed to meet the goal as expected, it is necessary to evaluate whether the needs evaluation is effective or not, based on the interviews and document review as explained before. The effectiveness for each case (*KCR* and *WUB*) is presented in Table 5. The result of effectiveness indicators of needs evaluation shows that both *KCR* and *WUB* programs are relatively high. Both *KCR* and *WUB* have a similar process in policy making. The result identifies that both *KCR* and *WUB* have conducted the process of stakeholder involvement and engagement. The result is also supported by the formal procedure, which is a document of regulation (*UU No 25* the year 2004) regarding the National Planning and Development System in the process of policy making. Further, both *KCR* and *WUB* programs are aligned with agenda setting and other government's documents such as the *RPJMD*.

Table 5: The Effectiveness of *KCR* and *WUB* as Government's Programs

Cases	Attributes	Effectiveness	Evidence
<i>KCR</i>	Stakeholder Engagement	High	• Interviews
	Program Sustainability	High	• Document of Regulation (<i>UU No. 25, 2004</i>) regarding National Planning and Development System
	Stakeholder Engagement	High	• Interviews
<i>WUB</i>	Program Sustainability	High	• The Scheme of <i>RPJMD</i> Arrangement Process

5. DISCUSSION

Needs evaluation covers the agenda-setting stage. The first evaluation to perform at the agenda setting stage is to identify the problem. In this case, the government sets the priority plan. Emphasized issues are objectives, goals, and involved actors. Needs evaluation focuses more

on defining the need behind the emergence of the policy, the background of the problems and some of the alternative solutions. In Indonesia, before the policy is made, there is a study called the academic draft. It is a basic research study that will be used as a rationale for making a policy. The academic draft is a document that can be justified scientifically about the concept of policy that will be implemented, which contains the background, the purpose of the preparation, the objectives to achieve and the scope, coverage, object, and policy direction.

In needs evaluation, there are two attributes that are emphasized: stakeholder engagement and program sustainability. The participation of citizens is very crucial, in the sense of the process of socialization and education needs to be carried out before the implementation of the policy itself. Socialization and education, especially for those who are affected, can create engagement between the citizens and the policy, thus potentially increasing the level of compliance during the implementation periods. According to the interviews with the participants in this study, it is said that the pre-implementation process should have equal portions to the policy implementation process itself. In this case, resources – such as the budget for pre-implementation and the use of experts – should be considered important in order to carry out the socialization process.

Both WUB and KCR have the same procedure at the agenda-setting stage of policy making. There is a formal procedure on how to do the policy making at this stage. Socialization process indicates how the government tries to know the target of entrepreneurship policy. The socialization is conducted through the website and event presentation. Interviews with the participants reveal that participants mostly know about the program from friends, website, and local governments. In addition, program sustainability as one of the attributes in needs evaluation is also considered crucial. In order to give impact to the society, entrepreneurship policy should be implemented in the long-term planning. Furthermore, local governments should commit to delivering and implementing entrepreneurship policy. Effectiveness indicators of needs evaluation are mostly considered as high, both for stakeholder engagement and program sustainability. This result shows that in the agenda-setting stage, where the needs evaluation was conducted, both KCR and WUB program have high effectiveness for the stakeholder engagement and program sustainability attributes. This means that the programs (KCR and WUB) are results from the needs of the stakeholder(s), making the degree of stakeholder engagement considered high. According to Preskill and Jones (2009), involving stakeholders or enabling stakeholders' participation at the agenda-setting stage will increase the quality of the policy. By involving stakeholders in the policy process, it is possible to know every viewpoint or experience on a given issue or program area. Moreover, the programs will be expected to sustain for a long-term period so the impact of the programs will be reached. For programs that are only applied occasionally, it will be hard to measure their impact. The goal of entrepreneurship policy is to initiate and increase entrepreneurial activities, as mentioned in the research of Minniti (2008) that public policy might be instrumental in fostering entrepreneurial activity. Thus, public policy is essential to entrepreneurship development.

6. CONCLUSION

The entrepreneurship policy evaluation covers all policy stages including the agenda-setting stage, formulation stage, implementation stage, and evaluation stage. Each stage

of the policy process has specific issues. The issues in agenda setting are the clarity of the problems and objectives, as well as alternatives to achieve the goal. The entrepreneurship policy evaluation at the agenda-setting stage (i.e. needs evaluation) is very important as it reveals whether or not entrepreneurship programs fit the public or entrepreneur's needs. In other words, needs evaluation focuses on defining the needs behind the entrepreneurship policy. Conducting needs evaluation is very challenging. It needs a contextual approach to identifying successful indicators.

This research provides the attributes of needs evaluation; there are stakeholder engagement and program sustainability attributes. The criteria for stakeholder engagement include the issues that emerge from the stakeholders based on their needs and their involvement in regulation or policy making while the criteria for program sustainability include the alignment of the policy with the government's planning and priorities as evidenced in the government's plan or program. In order to answer whether or not the entrepreneurship policy in the agenda-setting stage is effective, this research also provides the effectiveness indicators of needs evaluation. The indicators are used to measure the process of policy making in agenda setting, going from "high," "medium," or "low" in terms of stakeholder engagement and program sustainability.

The cases used in this research are soft loan program (KCR) and new entrepreneurs creation program (WUB), policies implemented in the West Java Province. The research is conducted using stakeholder analysis, involving interviews with stakeholders and document tracing based on existing government regulations as its methods of inquiry. The result shows that both KCR and WUB programs are relatively "high," meaning that they have conducted the process of stakeholder involvement and engagement. The result is supported by the formal procedure, which is a document of regulation (UU No 25 the year 2004) regarding National Planning and Development System in the process of policy making. Further, both KCR and WUB programs are aligned with the government's agenda and other government's documents such as RPJMD.

This research is not without limitations. It can only be applied in the context of policy evaluation at the agenda-setting stage, generalizable only within the province of West Java. Despite these limitations, the richness and deeper understanding of the cases can be maintained by using a robust method conducted during the policy implementation. The replication is limited to the framework used in this research. Future research can provide more insight in the development of entrepreneurship. For stakeholder analysis in particular, future research can be conducted by complementing the data with more comprehensive understanding that involves interviews with more actors such as other governmental bodies, entrepreneurs, academicians, and communities.

REFERENCES

- Ahmad, N., & Seymour, R. (2008). *Defining entrepreneurial activity: Definitions supporting frameworks for data collection*. OECD Statistics Working Paper No 2008/1.

- Balthasar, A. (2011). Critical friend approach: Policy evaluation between methodological soundness, practical relevance, and transparency of the evaluation process. *German Policy Studies*, 7(3), 187-231.
- Bygrave, W. D., & Hofer, C. W. (1991). Theorizing about entrepreneurship. *Entrepreneurship Theory and Practice*, 16(2), 13-22.
- Chinman, M., Imm, P., & Wandersman, A. (2004). *Getting to Outcomes™ 2004: Promoting Accountability Through Methods and Tools for Planning, Implementation, and Evaluation*. Santa Monica, CA: RAND Corporation.
- Drucker, P. F. (1985). *Innovation and Entrepreneurship*. New York, NY: Harper and Row.
- Fischer, F., Miller, G. J., & Sidney, M. S. (2007). *Handbook of public policy analysis: Theory, politics, and methods*. Boca Raton: Boca Raton, FL: CRC.
- Hatten, T. S. (2015). *Small business management: Entrepreneurship and beyond* (6th ed.). Boston, MA: Cengage Learning.
- Hogwood, B. W., & Gunn, L. A. (1984). *Policy analysis for the real world*. Oxford, UK; New York, NY: Oxford University Press.
- Kahan, B. (2008). *Excerpts from review of evaluation frameworks*. Saskatchewan, Canada: Kael Consulting.
- Lundström, A., & Stevenson, L. (2005). *Entrepreneurship policy: Theory and practices*. New York, NY: Kluwer Academic Publishers.
- Minniti, M. (2008). The role of government policy on entrepreneurial activity: productive, unproductive, or destructive. *Entrepreneurship Theory and Practice*, 32(5), 779-790.
- Mirzanti, I. R., Simatupang, T. M., & Larso, D. (2015). Entrepreneurship Policy Implementation Model in Indonesia. *International Journal of Entrepreneurship and Small Business*, 26(4), 399-415.
- Natural Resources Canada. (2011). *Evaluation of the climate change geoscience and adaptation program sub-activity*. Canada: Natural Resources Canada (NRCAN).
- Nawangpalupi, C. B., Pawitan, G., Gunawan, A., Widayarini, M., Bisowarno, B. H., & Iskandarsjah, T. (2015). *Global Entrepreneurship Monitor 2014 Indonesia Report*. Bandung: UNPAR Press.
- Preskill, H., & Jones, N. (2009). *A practical guide for engaging stakeholders in developing evaluation questions*. Princeton, NJ: Robert Wood Johnson Foundation.
- Reynolds, P. D., Hay, M., & Camp, M. (1999). *Global Entrepreneurship Monitor 1999 Executive Report*. Kansas City, MO: Kauffman Center for Entrepreneurial Leadership.
- Schell, S. F., Luke, D. A., Schooley, M. W., Elliott, M. B., Herbers, S. H., Mueller, N. B., & Bunger, A. C. (2013). Public health program capacity for sustainability: A new framework. *Implement Sci.*, 8(1), 1-9.
- Schumpeter, J. A. (1942). *Capitalism, socialism, and democracy*. New York. Harper & Row.
- Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *The Academy of Management Review*, 25(1), 217-226.
- Singer, S., Amorós, J. E., & Arreola, D. M. (2015). *Global Entrepreneurship Monitor 2014 Global Report*. Monterrey (Mexico): Global Entrepreneurship Research Association GERA.
- Strengthening Nonprofits (2014). *Measuring Outcomes*. US: National Resource Center, Compassion Capital Fund (CCF).

- Vedung, E. (1997). *Public policy program evaluation*. New Brunswick, NJ: Transaction Publishers.
- Wholey, J. S., Hatry, H. P., & Newcomer, K. E. (Eds.). (2010). *Handbook of practical evaluation* (3rd ed.). San Francisco, CA: Jossey-Bass
- Young, J., Shaxson, L., Jones, H., Hearn, S., Datta, A., & Cassidy, C. (2015). *ROMA: A guide to policy engagement and influence*. London, UK: Overseas Development Institute.