

# Microfinance Cooperation Base On Loan Sharks

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**Abstract**— This study aims to observe the motivational factors for the moneylender business of the Batak tribe known as shark loans. The discriminant analysis method is used to classify motivation into two different factors based on the pull and push theory. The testing was also carried out on two different groups of respondents, namely the favorable and the unfavorable. These results show that the determining factors for the motivation of borrower customers in the loanshark cooperative in this case are divided into two parts, namely; 1) pulling factors consisting of; independence, money, challenges/achievements, seeing opportunities, and lifestyle. 2) driving factors consisting of; job dissatisfaction, changes in the world of work, assistance from employers, and the needs of children/families. The results of the study prove that overall, all of these determining factors contribute to the Batak moneylender business. The Batak moneylender business based on the motivation factor of the pull and push theory in both community groups that support and oppose the Batak moneylender business shows that its existence is still very much needed, reaching 66.5%. Because the weak economic community in general do not have access to banking and do not have adequate requirements for creditworthiness or bank loans.

**Keywords**— shark loans, Batak, Moneylender, pull and push theory.

## 1. Introduction

People have various motivations for becoming an entrepreneur. The primary theory development around entrepreneurial motivations have been to classify motivations into categories of push and pull factors [1], [2], [18], and [24]. Push factors are characterized by personal or external factors (including a marriage break-up, or being passed over for promotion), and often have negative connotations. Alternatively, pull factors are those that draw people to start businesses – such as seeing an opportunity [29]. In general, pull factors have been found to be more

prevalent than push factors [24]; [26]. This is significant because businesses started by entrepreneurs who experienced push motivations are less successful (financially) than those built upon pull factors [4].

While these studies sort entrepreneurs' motivations in terms of push and pull categories, little explanatory research has been undertaken to review push-pull theory since the terms' inception in the late 1980s. It is important that these categorizations are revisited as some important events since the time of these studies may have impacted on the theory. Indeed, some would argue that push and pull theories may have changed over recent years with the advent of the internet – by reducing barriers to entry into business [18]. Another factor which has changed since many of these studies have been conducted is the changing world of work. As Arthur and Rousseau [5] suggest, the 1980s was dominated by the organizational career, but this has overwhelmingly changed worldwide.

The overall purpose of this paper is therefore to contribute to and extend existing motivation factors on Money loan business in Muslim Batak by using an exploratory finance cooperation business comparative qualitative study. Three research objectives underlie this paper:

- (1) What motivates Muslim Batak people to start a Money loan business?
- (2) How do motivations fit in relation to Loan shark Business factors?
- (3) Explore whether there are Muslim Batak people differences in entrepreneurial motivation (and explain the nature of any differences that emerge).

## 2. Literature Review

### 2.1. Entrepreneurial Motivation

A review of the literature leads the author to conclude key drivers of entrepreneurial motivation. First, a desire for independence (and related factors such as autonomy and greater control) is often cited as the number one motivating factor for many people in becoming an entrepreneur [3], and [8].

A desire for independence is primarily classed as a pull factor. Independence appears to be a similar motivator for both women and men in becoming an entrepreneur, at least in countries where independence is part of a national culture that strongly emphasizes the responsibility that an individual (not a collective) has in managing his or her own life [16]. Monetary motivations are also usually classed as a pull factor. People are not always motivated by money to start a business [10], [15], and [10] but this has been found to be important in a study of prospective entrepreneurs [3]. Some gender differences exist with regard to money as a motivating factor [34], [11], [15], [35], [36], [37], and [38]. Economics research also offers some insights into motivations for entrepreneurship (referred to as self-employment). Later work from a German study confirms these non-monetary aspects (e.g., time flexibility) of self-employment to be significant [39].

Motivations to become an entrepreneur that relate to work are usually considered to be push factors and are often a key factor that can influence the preparation for an entrepreneurial career [12], and [40]. This category includes issues such as unemployment, redundancy, and a lack of job or career prospects. A number of family-related factors have been found to be important, such as combining waged and domestic labour [41] family policies and family obligations [11], fit with domestic commitments [42], and a desire for work-family balance [43], and [45]. Family-related motivations for becoming an entrepreneur are often labelled push factors and have been recently described as important to entrepreneurs of both genders around the world [45].

### 2.2. Loan Shark Concept

[23] explained that the term "loan shark" has been commonly used to describe those who lend small sums at higher rates of charge than the law allows. It has been associated almost exclusively in recent years with loans to wage-earners. The qualities that give rise to loan-shark transactions-greed, on one hand, and compelling necessity, short-sightedness, or gullibility, on the other-are not new among human beings. Most civilizations for which historical records are available to have been confronted with the problem of usury and

have attempted to deal with it. Nevertheless, the loan-shark problem is substantially different from the historic problem of usury. To be sure, the loan shark of today has inherited the social stigma attached to the business of his usurious predecessors, and he has made use of some of the devices which they developed to evade legal restrictions upon interest-taking. But here the relationship ends. The loan shark is essentially a product of modern industrial society. His field of lending and his techniques differ substantially from those of usurers of the past.

The fields of lending and to some extent the techniques and traditions of these early money-lenders have been taken over by banks, building and loan associations, pawnbrokers, and other specialized institutions that lend against tangible and measurable property values. The loan shark of today has created a new field and a new technique of lending at which even the boldest of his predecessors would probably have looked askance. While he may secure his loans with mortgages on household furniture or automobiles, he relies for a payment not upon the resale value of such collateral but upon borrowers' prospective incomes from wages or salaries.

So long as salaries and wages remained close to the subsistence level, the prospect of such incomes had no collateral value. When, however, wage-earners' real incomes rose to the point where they covered the minimum necessities of life and at the same time provided a surplus for meeting payments of principal and interest on debts, prospective salaries and wages became assets, however inchoate, against which loans could be made. Thus, the loan shark thrives upon high wages and rising standards of living and not upon abject poverty.

The possibility of using the capitalized value of the margin between wage-earners' incomes and minimum subsistence costs as the basis for loans probably existed before the time of the earliest loan-shark transactions. But exploitation of this field of lending required substantial departures from money-lending tradition. The loan sharks' predecessors carefully appraised the security behind each contract and assured themselves of the possibility of collection. The loan shark, on the other hand, deals with borrowers en masse, relying upon his high charges to cover the losses on individual contracts that he knows to be unavoidable. His safety lies in distributing risk over large numbers of small accounts. Hence, while his predecessors held themselves ready and willing to examine the credit worthiness of those who found it necessary to seek accommodation, the loan shark aggressively merchandises his wares, stressing the ease of borrowing and misrepresenting the cost in personal

solicitations and in handbill, billboard, and newspaper advertisements.

In all probability usurious money-lenders of the past would have looked askance not only at the credit risks taken by the modern loan shark but also at his charges and practices. True, many of the former undoubtedly drove hard bargains. But certain characteristics of their business led to some degree of moderation. First, since tangible property values formed the basis for loans, the borrower had the alternative of selling his property. The availability of this choice put practical limits on the interest charges that could be demanded. Second, most borrowers were engaged in business enterprises. The lender in a sense became a partner in the enterprise, desirous of obtaining the largest possible share of the proceeds but not wishing to wreck it in the process. Finally, borrowers and lenders lived in the same community and dealt face to face in their negotiations, which probably contributed to fair dealing and discouraging fraud and abusive treatment.

### 2.3. Loan Shark Problems

The loan shark of today is subject to none of these natural restraints. The bargaining position of his customers is hopelessly weak. He deals with borrowers impersonally-his identity hidden by fictitious trade names and corporate entities and his sensitivities insulated from the seamy side of the business by salaried employees. His charges are limited not by the earning capacity of property given as security but by what wage-earners can earn beyond the minimum necessities of life.

In spite of the substantial progress which has been made toward its solution, the loan-shark problem in many jurisdictions is more acute than ever. The gradual extension of effective regulatory legislation has driven loan sharks out of state after state. But it has also tended to concentrate and to increase his operations in the areas which are still ineffectively regulated. In fact, during the past eighteen years at least, the progressive curtailment of the area in which loan sharks can successfully operate has been accompanied by a substantial expansion of the total volume of loan-shark transactions.

When an effective small loan law is first enacted in any state, some of the existing lenders become licensees under the act; but others, fearful of their ability to operate profitably under regulation or unwilling to have their profits curtailed, move into the unregulated territory. Consequently, following each successful campaign for the Uniform Small Loan Law, a prompt increase in the number of loan-shark offices in other areas can be noted. This shift of lenders and capital has accentuated the normally high rate of growth that results from the high profits of the business. In

addition, the demand for small loans has expanded rapidly in recent years, not only in regulated but in unregulated states.

### 2.4. Loan Shark in Indonesia

[27] that in Islamic Micro Finance Melati: Efforts to Strengthen Capital for Traditional Market Traders, found that Moneylenders in the view of Indonesian people have a negative stigma, because they contain elements of interest or usury. Apart from the various negative stigmas, loan sharks' services are still needed by the community, especially small traders who need capital for the businesses they run. The advantage of borrowing from moneylenders is because of the easy requirements, the speed in disbursing funds, and the absence of collateral in any form. The advantages offered by loan sharks make this transaction continue to grow until now and make the existence of other financial institutions such as commercial banks, private banks, including Islamic financial institutions and microfinance institutions totally unable to eliminate the existence of rent transactions in Indonesia.

[21] "Moneylender Practices Inhibit the Establishment of the Sharia Banking Legal System in Sumenep Regency", found that cases of rampant moneylender practices in rural areas which are considered as illegal banks (Illegal Banks) are disturbing the public. But on the other hand, moneylenders were allegedly a person who supported his activities both directly and indirectly. The public tends not to bother with all the provisions to borrow money in the bank, even though the loan interest is high and contrary to religious teachings where all religions prohibit Riba, but do not dismiss the people desire to continue to borrow from moneylenders.

[20] research on the Profile of Money Lenders Practices in transition maysrakat: Kartohura Case Study in Sukoharjo District, he found that moneylenders as an alternative to borrowing money were very helpful to the community due to picking up the ball to the community. Next is [22] in her dissertation entitled Islamic Islamic Thought? He concluded that in the cooperative there is a spirit of education, a spirit of togetherness and a spirit of popular economic struggle. Therefore, cooperatives are expected to become the cornerstone of the Indonesian economy with a single foundation of confidence; cooperatives are the most appropriate legal entity to spread the prosperity of all people and a form of economic cooperation that gets the attention of Bung Hatta [6].

[22] in the Reform of the Cooperative System in Indonesia in the Perspective of Islamic Economics concluded that the theory of cooperatives that had been made in Indonesia, in the form of regulations and others, was in accordance with Islamic values.

However, on a practical level, there are still deviations in the form of service fees and the percentage of loans in the form of interest. These deviations are triggered by the desire of some elements of society to benefit quickly and easily manipulate the functions and roles of a cooperative.

### 3. Methodology

The majority of the prior research on entrepreneurial motivations has been from positivist paradigms [44] and observed from psychological perspectives [29]. The resulting research methods are concerned with hypothesis and theory testing, focusing on quantitative methods, and taking a deductive approach to research [30]. However, given the motives for becoming an entrepreneur are often seen as multi-faceted [46], [35], a “checklist” approach may be unable to “capture the complexity of the decision process” [5]. For the purpose of this paper, an entrepreneur is defined as a person (or a group of people) who creates a new business (for profit) and employs at least one other paid employee. Thus, the focus is on what motivates people to start businesses. In a similar way to the issues around research paradigms discussed above, entrepreneurship studies employ various definitions and this makes comparisons between studies to be somewhat difficult [26].

The sample emerged from a quantitative study that used the Muslim Batak people’s Money loan business. The selection process was based on entrepreneurs who met the definition of an entrepreneur [5], who had started their businesses no longer than five years prior, and also on the practical need to minimize travel expenses. Interviews were held in Jakarta, Depok, Bogor, Bekasi, and Tangerang. This author interviewed all 200 participants in a face-to-face format. Interviews ranged in time from 30 minutes to over two hours, and one part of the interview focused on the participant’s spouse.

Some demographics of the sample are presented in Table I, which shows that men and women participants were relatively similar across demographics such as age, target market, income, Married, and ethnic origin. The numbers of participants who had children at the time of starting their business.

Table I. Demographics of Men and Women Batak Entrepreneur Money Loans

DEMOGRAFI	Men (n=110)	Men (%)	Women (n=90)	Women (%)
<b>Ethnic origin</b>				
Batak Angkola	5	5	2	2
Batak Karo	5	5	3	3
Batak Mandailing	59	54	54	60
Batak Pakpak	9	8	9	10
Batak Simalungun	26	24	19	21
Batak Toba	6	5	3	3
<b>Age</b>				
Under 35	2	2	1	1
35-39	4	4	3	3
40-44	15	14	20	22
45-49	45	41	35	39
50+	46	42	32	36
<b>Target Market</b>				
Pedagang Pasar	60	55	50	56
Usaha diluar Pasar	20	18	30	33
Rumah tangga	30	27	10	11
<b>Annual Income</b>				
Under 100 juta IDR	40	36	40	44
100-500 juta IDR	60	55	45	50
over 1 milyar IDR	10	9	5	6

Source: Processed Data (2024).

The researcher chose the Favorable and Unfavorable Likert scale format with the choice of STS-SS-NS-SS statements. For this scale, the weighted value for each favorable statement moves from 5 to 1 where the Strongly Agree (SA) option is given a value of 5, Agree (A) is given a value of 4, Neutral (N) is given a value of 3, Disagree (DA) is given a value of 2, and Strongly Disagrees (SDA) is given a value of 1. The weighted value for each statement that is not supportive (unfavorable) moves from 1 Up to 5 with a choice of Strongly Agree (SA) given a value of 1, Agree (A) given a value of 2, Neutral (N), Disagree (DA) given a value of 4, and Strongly Disagree (SDA) given a value of 5.

The test method is carried out by discriminant analysis on univariate data to determine the factors proposed in the motivation to do the business of lending money to the Batak tribe. The respondent group is divided into two parts, a group that supports (Favorable) and a group that does not support (Unfavorable) for the statements of the items on these motivational factors [4].

Table 2. Answers to Entrepreneurship Money Loan Motivation Categories

Response category	Skor Skala F	Skor Skala UF
SA	5	1
A	4	2
N	3	3
DA	2	4
SDA	1	5

Source: Processed Data (2024).

### 4. Finding and Results

The key motivating factors which participants described as being important to their starting a business.

The ones of part are five pull factors were found to be important motivators for entrepreneurship such as: Independence, Money, Challenge/achievement, Saw opportunity, and Lifestyle. The other part of important motivation for entrepreneurship are Push factors that such as: Job dissatisfaction, changing world of work, Helped by employer, and Children (of those participants with children).

Observations on these key motivating factors are used to determine the assessment of 2 (two) groups of respondents who are Favorable and Unfavorable towards this money lender business. The assessment of these two groups was used to analyze the hypotheses of this study, namely:

H1: Favorable group hypothesis with pull and push factors on the business motivation of Batak money lenders.

H2: The Unfavorable Group Hypothesis with pull and push factors on the business motivation of Batak money lenders.

The key motivating factors (pull and push motivation theory) on the moneylender business were distributed to 200 respondents, which were divided into groups of favorable respondents and unfavorable respondents towards this Batak community money lender business. The favorable group with various motivational factors, the pull, and push theory, describes the respondents who support the motivational factors for this Batak money lender business. On the other hand, the unfavorable group with various motivational factors for pull and theory shows that respondents do not support or object to the motivational factors for the Batak money lender business. The results of measurement and observation of motivational factors for the Batak money lender business in two groups of people who are favorable and unfavorable show the following evidence [13]:

Table 3. Group Statistics Membership

Y		Group Statistics		Valid N (listwise)		
		Mean	Std. Deviation	Unweighted	Weighted	
UNFAVOURABLE	INDEPNX11	1.9000	.68902	100	100.000	
	MONEYX12	1.8300	.76614	100	100.000	
	CHALENC13	2.0600	.66393	100	100.000	
	SAWOPPX14	2.0900	.69769	100	100.000	
	LIFESTYLEX15	1.9700	.71711	100	100.000	
	JOBSTASX21	1.5500	.60927	100	100.000	
	CHANGINGX22	1.5700	.60728	100	100.000	
	HELPEMPX23	1.9100	.75338	100	100.000	
	childrenx24	1.5400	.61002	100	100.000	
	FAVOURABLE	INDEPNX11	4.1200	.96783	100	100.000
		MONEYX12	4.0500	.91425	100	100.000
		CHALENC13	4.0400	.96316	100	100.000
		SAWOPPX14	4.1200	.80754	100	100.000
		LIFESTYLEX15	4.1900	.80019	100	100.000
JOBSTASX21		4.0500	.93609	100	100.000	
CHANGINGX22		4.1200	.80754	100	100.000	
HELPEMPX23		4.0300	.83430	100	100.000	
childrenx24		3.9800	.82853	100	100.000	
Total		INDEPNX11	3.0100	1.35983	200	200.000
		MONEYX12	2.9400	1.39504	200	200.000
		CHALENC13	3.0500	1.29067	200	200.000
		SAWOPPX14	3.1050	1.26570	200	200.000
		LIFESTYLEX15	3.0800	1.34635	200	200.000
	JOBSTASX21	2.8000	1.48019	200	200.000	
	CHANGINGX22	2.8450	1.46345	200	200.000	
	HELPEMPX23	2.9700	1.32585	200	200.000	
	childrenx24	2.7600	1.42215	200	200.000	

Source: Processed Data (2024).

Table 3. Group Statistics above explains that the cases analyzed were 200 respondents. 100 respondents gave a decision of 0 for unfavorable and 100 respondents gave a decision of 1 for favorable. The results show a balanced number, where each gets 100 voters (respondents who support and do not support). The calculation results show that the variable Motivation Entrepreneurship money lender has the highest average value unfavorable in the group (0) is 2.0900, while the Favorable group (1) is: 4.1900. This means that the average Entrepreneurship Motivation on Decisions in the second group (1) is higher than the first group (0). This means that the existence of this Batak money lender business is still needed by the community even though it is operational and its existence is undesirable. This result is by the real conditions of the Indonesian people in general. Or the people in the sample from the population observed in this study are people with lower economic capacity. These communities generally have micro and small businesses that are not bankable, making it difficult for them to have access to banks or financial institutions. So that the existence of this Batak money lender business is a solution to their financial problems or their business capital needs.

Table 4. Equality of Group Means  
Tests of Equality of Group Means

	Wilks' Lambda	F	df1	df2	Sig.
INDEPNX11	.330	401.375	1	198	.000
MONEYX12	.364	346.381	1	198	.000
CHALENC13	.409	286.477	1	198	.000
SAWOPPX14	.354	361.835	1	198	.000
LIFESTYLEX15	.317	426.869	1	198	.000
JOBSTASX21	.283	501.012	1	198	.000
CHANGINGX22	.237	636.932	1	198	.000
HELPEMPX23	.358	355.672	1	198	.000
childrenx24	.260	562.411	1	198	.000

Source: Processed Data (2024).

Table 4. The Tests of Equality of Group Means shows the results of the analysis to test the average similarity of the variables in the two groups of respondents using the Wilks' lambda test which is Sig. close to the number 0 so there tends to be a significant difference in the results. This means that the two groups both supporting and opposing significantly prove that the motivational factors for this Batak money lender business are different in providing support. So, it can be interpreted that there are two sides to a dilemma in this weak economic society regarding the existence of the Batak money lender business. So that it requires attention and concern from the government and legislators to face this situation.

Hypothesis decisions on two groups of respondents with a significance value show the results, as follows:

H1: The hypothesis of the Favorable Group with pull and push factors on the motivation of the Batak money lender business <0.05, then there are

Eigenvalues				
Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	5.372 <sup>a</sup>	100.0	100.0	.918

a. First 1 canonical discriminant functions were used in the analysis.  
differences in these two groups of respondents.

H2: The Unfavorable Group Hypothesis with pull and push factors on the motivation of the Batak money lender business <0.05, there are differences in the two groups of respondents.

All variables in the motivational factors of the pull and push theory X above show a sig. value <0.05, so all variables give a difference to the Batak money lender (Y) business [10]. that is, all motivational factors, both pull and push, support the testing of business motivation for Batak money lenders in this study. Both groups of respondents significantly respond and agree on the determinants of motivation for this Batak money lender business. Although in fact the existence of this money lender business is very unsettling and disturbs the ability to pay and the family economy of the respondent community.

Table 5. Covariance and Correlation Matrix

Source: Processed Data (2024).

Table 5. Shows the correlation of each variable of the pull and push motivational factors explaining the strength of the relationship between the two random variables, the pull and push motivational factors linearly, indicating that all variables of the pull and push motivational factors to the money effort Batak lenders have had positive results. Although overall the result was <0.60. However, the relationship between the variables of the pull and push motivational factors is still acceptable in this study. Meanwhile, the covariance that shows the amount of change of the two random groups of motivational factors variables also shows a positive and significant relationship. This means that each of the pull and push motivational factors as a determinant of motivation in groups that support (favorable) and groups that do not support or oppose (unfavorable) have a relationship and contribution in determining the existence of this Batak money lender business.

Table 7. Box's Test of Equality of Covariance Matrices

Test Results		
Box's M		368.590
F	Approx.	7.799
	df1	45
	df2	128792.265
	Sig.	.000

Tests null hypothesis of equal population covariance matrices.  
Source: Processed Data (2024).

Table 7. Shows the variance similarity test used Box 'M numbers where the research hypothesis has a significance value of 0.000 <0.05. So that the hypothesis in the two groups of respondents both H0 is rejected. Because the two groups show similarities to the variants in the motivational factors for pull and push on the Batak money lender business. Where the criteria for the Hypothesis are:

- H1 = The variance of the two groups Favorable and unfavorable data is identical / homogeneous
- H2 = The variance of both groups Favorable and unfavorable data is not the same (identic) / heterogeneous.

The results of the hypothesis testing are also supported by the statistical p-value of the Box 'M test which shows the p-value of 0.000 <0.05, so that the hypothesis Ha is accepted and the hypothesis H0 is rejected. This means that the variance of the data group in the favorable group and the unfavorable group is not heterogeneous.

Table 8. Summary of Canonical Discriminant Functions

Pack's Within-Groups Matrix <sup>a</sup>										
	INDERN11	MONEY12	CHALENC13	SAWOPR14	LIFESTYLE15	JOBSTAS16	CHANGING17	HELPEPR18	children24	children24
Covariance	INDERN11	.614	.352	.268	.225	.260	.168	.148	.238	.145
	MONEY12	.352	.711	.348	.288	.358	.258	.197	.278	.208
	CHALENC13	.268	.348	.684	.288	.338	.228	.172	.248	.191
	SAWOPR14	.225	.288	.288	.688	.232	.188	.138	.230	.143
	LIFESTYLE15	.260	.308	.338	.232	.677	.135	.144	.238	.121
	JOBSTAS16	.168	.258	.228	.188	.135	.624	.364	.267	.452
	CHANGING17	.148	.197	.172	.188	.144	.364	.610	.180	.286
	HELPEPR18	.238	.278	.248	.230	.208	.257	.160	.632	.192
	children24	.145	.208	.191	.143	.121	.452	.286	.192	.632
Correlation	INDERN11	1.000	.533	.414	.380	.419	.269	.264	.379	.254
	MONEY12	.533	1.000	.498	.468	.477	.307	.328	.417	.340
	CHALENC13	.414	.498	1.000	.429	.534	.344	.281	.372	.318
	SAWOPR14	.380	.468	.429	1.000	.405	.317	.267	.418	.281
	LIFESTYLE15	.419	.477	.534	.405	1.000	.225	.265	.344	.219
	JOBSTAS16	.269	.307	.344	.317	.225	1.000	.645	.409	.388
	CHANGING17	.264	.328	.281	.267	.265	.645	1.000	.283	.588
	HELPEPR18	.379	.417	.372	.418	.344	.409	.283	1.000	.331
	children24	.254	.340	.318	.281	.219	.388	.588	.331	1.000

a. The covariance matrix has 180 degrees of freedom.

Source: Processed Data (2024).

Table 8 shows the Eigenvalues test where there is a canonical correlation value which is used to measure the degree of relationship between discriminant results or the amount of variability that can be explained by the independent variable, namely the motivational factors for pull and push (X) on the dependent variable, namely the Batak money lender (Y). From table 8 above, the canonical correlation value is 0.918 when squared (0.918 x 0.918) = 0.8427, meaning that 84.27%

of the variance of the independent variable, namely the motivational factors for pull and push theory (X) can be explained from the discriminant model. that formed. This means that each of the factors forming the pull and push motivation towards the Batak money lender business can explain the discriminant of each variable (X) on the money lender business variable (Y).

Table 9. Wilks' Lambda

Wilks' Lambda				
Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.157	358.345	9	.000

Source: Processed Data (2024).

Table 9. above shows the changes in the lambda value and the F test value in each stage. Until stage 3 the Sig value remains  $<0.05$ , then until stage 3 all independent variables are included in the model. This table is used to see whether the independent variables in the study univariate are able to differentiate (discriminate) between the favorable and the unfavorable groups. The criteria for variables that are able to discriminate against the favorable group and the unfavorable group is to have a significance level (sig.) Less than 0.05. The equation for the estimation of the discriminant function can be seen in Table 10 below:

Table 10. Discriminant Functions

Standardized Canonical Discriminant Function Coefficients	
	Function
	1
INDEPNX11	.230
MONEYX12	-.039
CHALENC13	-.053
SAWOPPX14	.182
LIFESTYLEX15	.286
JOBSTASX21	-.086
CHANGINGX22	.425
HELPEMPX23	.146
childrenx24	.366

Source: Processed Data (2024).

Based on table 10, it is known that the INDEPN X11, SAWOPP X14, LIFESTYLE X15, CHANGING X22, HELPEMP X23, and children x24 variables are able to discriminate against the favourable and unfavourable groups because they have a significance level smaller than 0.05 and a positive function value. successively, namely 0.230; 0.182; 0.286; 0.425; 0.146; and 0.366. Meanwhile, other variables are not able to discriminate against the favourable group and the unfavourable group so that they cannot be included in the discriminant function. This means that the economically weak community who

use money lender business services in groups that support (Favourable) or opposing (unfavourable) on the main motives such as the need for money (money), challenges or business achievements of money lenders, and disappointment over job opportunities shows a reaction or avoidance to explain the existence of this Batak money lender business. This proves that the people who use the Batak money lender business are reluctant to let go of the moneylender business, which does have a bad impact on their family's economy, due to other economic pressures.

Table 11. Matric Structure  
Structure Matrix

	Function
	1
CHANGINGX22	.774
childrenx24	.727
JOBSTASX21	.686
LIFESTYLEX15	.634
INDEPNX11	.614
SAWOPPX14	.583
HELPEMPX23	.578
MONEYX12	.571
CHALENC13	.519

Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions  
Variables ordered by absolute size of correlation within function.

Source: Processed Data (2024).

Table 11. The structure of the matrix that shows the motivational factors that are able to explain the pull and push motivational variables towards the Batak money lender business, after eliminating the variables from the motivational factors that are unable to explain the pull and push motivation variables on the Batak money lender business.

Table 12. Canonical Discriminant Function Coefficients

Canonical Discriminant Function Coefficients	
	Function
	1
INDEPNX11	.294
MONEYX12	-.046
CHALENC13	-.064
SAWOPPX14	.242
LIFESTYLEX15	.377
JOBSTASX21	-.109
CHANGINGX22	.594
HELPEMPX23	.184
childrenx24	.503
(Constant)	-5.787

Unstandardized coefficients

Source: Processed Data (2024).

Table 12. Shows the equation model of the unstandardized discriminant function estimation of the motivational factors of the pull and push theory on the Batak money lender business formulated by the following equation:

$$Z = 0,294 X11 + 0,242 X14 + 0,377 X15 + 0,594 X22 + 0,184 X23 + 0,503 X24.$$

This discriminant function can be written in the form:

$$Z = w11 X11 + w14 X14 + w15 X15 + w22 X22 + w23 X23 + w24 X24.$$

Where:

w11, w14, w15, w22, w23, and w24 are the coefficient values of X11, X14, X15, X22, X23, and X24 which can be normalized by the formula:

$$w11 = \frac{0,294}{\sqrt{0,294^2 + 0,242^2}} = 0,7728$$

$$w14 = \frac{0,242}{\sqrt{0,242^2 + 0,377^2}} = 0,5402$$

$$w15 = \frac{0,377}{\sqrt{0,377^2 + 0,594^2}} = 0,7071$$

$$w22 = \frac{0,594}{\sqrt{0,594^2 + 0,184^2}} = 1,4159$$

$$w23 = \frac{0,184}{\sqrt{0,184^2 + 0,503^2}} = 0,3435$$

$$w24 = \frac{0,503}{\sqrt{0,503^2 + 0,294^2}} = 0,8634$$

From this equation, it can be seen that the average value of the motivational pull and push factors on the Batak money lender business is the most dominant in predicting the differences in the group of favourable and unfavourable respondents. The highest coefficient value is 0.594. The normalized coefficient value is 1.4159 while the Job dissatisfaction factor (X2.1) which is also a dimension of the push factor motivation variable in the Batak money lender business shows a weak value for predicting differences in the groups of favourable and unfavourable respondents because it has a coefficient value the lowest is -0.109.

The research findings show that the variables of the motivational factors from the pull factor side, such as: independence (X1.1), money (X1.2), Challenge / achievement (X1.3), Saw Opportunity (X1.4), and Lifestyle (X1.5). Likewise, motivational factors in terms of push factors, such as: Helped by employer (X2.3), and Children (X2.4) have a positive sign, meaning that if the value of the independence factors (X1.1), money (X1. 2), Challenge / achievement (X1.3), Saw Opportunity (X1.4), and Lifestyle (X1.5). Likewise, the motivational factors in terms of push factors, such as: Helped by employer (X2.3), and Children (X2.4) are large, so the probability that Batak money lender business will increase or will increase. Meanwhile, the variable changing world of work (X2.2) and Job dissatisfaction (X2.1) has a negative sign, meaning that

if the value of the changing world of work factor (X2.2) and the Job dissatisfaction factor (X2.1) are large then the probability that the money lender's business has decreased.

Table 13. Functions of Centroids in Groups  
Functions at Group Centroids

Y	Function
	1
UNFAVOURABLE	-2.306
FAVOURABLE	2.306

Unstandardized canonical discriminant functions evaluated at group means

Source: Processed Data (2024).

The function of the centroids in the groups in Table 13. above is used to determine the cut-off value for the grouping of favourable and unfavourable respondents to the Batak money lender business. The amount of the cut-off value is calculated using the formula:

$$\text{Cut-off} = NaZb + NbZa / Na + Nb$$

$$\text{Cut-off} = 100(2.306) + 100(-2.306) / 100 + 100$$

$$\text{Cut-off} = 0$$

So, this means that if the cut off value = 0 is the grouping of respondents in the support group (favourable) and the group not supporting or opposing (unfavourable) in the Batak money lender business has the same assessment.

Table 14. Results of the Classification of Discriminant Analysis

Classification Results <sup>a</sup>					
	Y	Predicted Group Membership		Total	
		UNFAVOURABLE	FAVOURABLE		
Original	Count	UNFAVOURABLE	67	33	100
		FAVOURABLE	34	66	100
	%	UNFAVOURABLE	67.0	33.0	100.0
		FAVOURABLE	34.0	66.0	100.0

a. 66.5% of original grouped cases correctly classified.

Source: Processed Data (2024).

Table 14. Shows the accuracy of the classification of the discriminant analysis which proves that discriminant analysis is able to predict the Batak money lender business of 66.5 percent obtained from the Unfavorable group and the Favorable group (i.e., = 67.0 + 66.0 / 2). This means that the two groups of respondents who are favorable and unfavorable to the Batak money lender business have a motivation for their existence of 66.5%. So that no matter how bad the performance of the Batak money lender business is, its existence is still very much needed in communities with weak economic groups, especially those without banking access.



## 5. Conclusion

The results of this study conclude that the determining factors for the motivation of borrower customers in the loanshark cooperative in this case are divided into two parts, namely; 1) pulling factors consisting of; independence, money, challenges/achievements, seeing opportunities, and lifestyle. 2) driving factors consisting of; job dissatisfaction, changes in the world of work, assistance from employers, and the needs of children/families. The results of the study prove that overall, all of these determining factors contribute to the Batak pawnshop business.

Factors such as independence, money, challenges/achievements, seeing opportunities, lifestyle, assistance from employers, and children's needs have a positive relationship and influence with the Batak moneylender business. The results show that these motivational factors can significantly increase the Batak moneylender business. However, there is a negative relationship between motivational factors, job dissatisfaction and changes in the world of work with Batak moneylender businesses. The findings show that if these two factors increase, it will result in a decrease in the Batak moneylender business.

The Batak moneylender business based on the motivation factor of the pull and push theory in both community groups that support and oppose the Batak moneylender business shows that its existence is still very much needed, reaching 66.5%. Because the weak economic community is the object of this observation, in general they do not have access to banking and do not have adequate requirements for creditworthiness or bank loans.

## 6. Implications

1. The role of banks and non-bank financial institutions that support and care for the micro-businesses of the middle and lower economic community which require additional business capital and investment capital is urgently needed. So that the involvement of the Batak money lender business is reduced and it does not disturb the economy of the families of this middle and lower economic community.
2. Clear and binding policies and rules against the very cruel and inhuman Batak money lender business need to be upheld. Because the Batak money lender's business activities have troubled the community in having a decent and prosperous life.
3. Further research on finding solutions to overcome the existence of vicious Batak money lender businesses that exploit the income and assets of economically weak communities.

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