

# SELECTION OF PRIORITY STRATEGIES FOR DEVELOPING SOCIAL ENTREPRENEURSHIP FOR WOMEN

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## ABSTRACT

*Poverty is a problem that is always prioritized by state governments wherever they are. Alleviation efforts have been a major burden for a long time, but solving this problem is indeed very difficult. Even in some developed countries, poverty is still a difficult thing to eliminate. More innovative and non-material poverty reduction programs are needed, especially programs with sustainable data in nature. Women can play the role of the program as an effort to increase family income. Focusing on the concept of entrepreneurship, where entrepreneurship has guaranteed a longer-term program that can build a strong economic character compared to other financial assistance programs. This research is a mix method research where a qualitative approach is used to see what strategic designs can be used to develop social entrepreneurship in Central Java and a quantitative approach is used to see which strategies are most appropriate to use in Central Java which will be analyzed using the Analytical Hierarchy Process method. The result of the calculation shows that the strategy of cooperation with existing businesses is the most priority strategy to be implemented in developing social entrepreneurship in Central Java to reduce poverty levels.*

**Keywords:** Social Entrepreneurship, Development Strategy, Analytical Hierarchy Process, Women, Poverty.

## INTRODUCTION

Poverty is a problem that is always prioritized by state governments wherever they are. Alleviation efforts have been a major burden for a long time, but solving this problem is indeed very difficult. Even in some developed countries, poverty is still a difficult thing to eliminate. Poverty is one of the main problems in national development because of its complex nature. The phenomenon of poverty is influenced by many interrelated factors such as income, health, education, location, gender and environmental conditions (Trivedi, 2010). The problem of poverty is one of the fundamental problems that have become the center of attention in any country. If it can solve or minimize poverty, the government in that country is considered successful.

The poverty rate in Indonesia reached 25.95 million people in 2019 or 9.82%. This figure has decreased by 633.2 thousand people compared to 2018. The poverty rate began to decrease from 2015 to 2018. Although it always decreases, the decline is still not that significant. The

number of poor people each year is divided into two categories, namely the urban poverty rate and the rural poverty rate.

The number of poor people in rural areas is higher than the number of poor people in urban areas. This is usually caused by the income level factor where the income level in urban areas is greater than in rural areas. Apart from the income factor, the education factor also affects the poverty level. Where the level of poverty in urban areas is less because the level of education in urban areas is much better than in rural areas (Guclu et al., 2002).

Indonesia succeeded in reducing its poverty level in 2019. In the previous year, Indonesia was still one of the top 15 countries with high poverty rates. However, in the ASEAN context, Indonesia is in fourth place after the Philippines. Poverty is synonymous with unemployment. In general, countries with high poverty levels must also have high unemployment rates as well. This results in the per capita income of countries with high unemployment being very low. Until 2019, the open unemployment rate in Indonesia still reached 5.01%. Despite being the lowest unemployment rate in history, Indonesia is still ranked the second country with the highest unemployment rate after the Philippines (Acs et al., 2013).

The government has made a lot of efforts to reduce the poverty rate but it is still material oriented and has not been able to have much effect on reducing the number of poor people. Various efforts have been implemented such as formulating new poverty line standards and compiling poverty pocket maps. Various programs designed to spur economic growth have also been implemented, such as credit facilities for the poor, providing assistance funds and building infrastructure in rural areas with an integrated development model. However, some countermeasures that have been implemented have a low level of sustainability because they depend on the existence of a high budget and commitment from the government (Amudha & Banu, 2009).

The root of the problem of poverty, especially in Central Java, is not in people who need funding. Providing continuous intake of funds actually results in the community being increasingly spoiled so that there is no intention of changing their own situation. The problems that exist are far more complex than those of financial resources. From the existing problems, there is a need for innovation to accelerate poverty alleviation in addition to what has already been done.

The main source of the problem is that it is difficult to reduce poverty levels in Central Java due to the low quality of human resources due to the low level of education and the mental attitude of the people who are just waiting to be helped. Most of the poor in Central Java work as agricultural labourers, fishing labourers and factory workers with low levels of education. The number of poor people in Central Java is 3,897.20 thousand people and still 65% of that number only graduated from elementary school. The percentage that goes to university is very small, only 8% of the total number. Among them, there are residents who have graduated from junior high school and high school. The high number of people who only graduated from elementary school, most of whom are women, has reached 87%. Means it can be concluded (Cherrier et al., 2018)

The jobs of the poor in Central Java are mostly agricultural labourers, fishing labourers to factory workers with low education. Among these, it turns out that there are still many who are only unemployed, especially the female population. The number of unemployed is mostly held by women because in poor communities, women are only used as an object. However, they don't need high school and don't have to work. After graduating from elementary school, women will be married off and afterward just stay at home for their husbands.

More innovative and non-material poverty reduction programs are needed, especially programs with sustainable data in nature. Women can play the role of the program as an effort to increase family income. Focusing on the concept of entrepreneurship, where entrepreneurship has guaranteed a longer term program and can build a strong economic character compared to other financial assistance programs (Haugh & Talwar, 2016). Social entrepreneurship itself is an effort to foster entrepreneurial characteristics that are independent but can be sensitive to the surroundings so that they are able to contribute to the welfare of the surrounding environment (Mongelli & Rullani, 2017).

In 2019, there were 4,174,210 units of Micro, Small and Medium Enterprises in Central Java, with details of 3,358 large businesses, 39,125 units of medium enterprises, 354,884 small businesses and 3,776,843 micro businesses. In total, it turned out that many businesses were run by women, namely 2,654,123 units or 63.6%. This number is counted a lot so it can be concluded that many women have helped the Indonesian economy by establishing various kinds of businesses. But unfortunately, only 15% of the totals are engaged in social entrepreneurship, the rest are still profit oriented. Even though social entrepreneurship is believed to be able to reduce more unemployment, social entrepreneurship puts forward social actions that can be beneficial to the surrounding environment (Haugh & Talwar, 2016).

The development of social entrepreneurship involvement is still limited because this concept has not existed for long. There are many ways to develop the concept of social entrepreneurship into a way to reduce poverty. But the methods from country to country cannot be equated, because each country or region has different characteristics, climate or demographics. Social entrepreneurship that is developed in France and takes women as objects of development undergoes several stages of strategic selection. The strategy chosen and considered the most appropriate was to use periodic education on social entrepreneurship to open up women's thinking about the importance of prioritizing social life rather than personal gain (Chowdhury, 2012). In contrast to the research applied in Chicago on choosing the right strategy to develop social entrepreneurship, Chicago prefers regular training with social entrepreneurial actors to become the right strategy (Murphy & Coombes, 2009).

The purpose of this research is to come up with various strategies to develop social entrepreneurship for women and to choose the most appropriate strategy to develop social entrepreneurship using the Analytical Hierarchy Process method. This method is a decision support model that describes a complex multi-system or multi-criteria problem into a hierarchy. Hierarchy represented from a complex problem in a multi-level structure. The first level is the goal followed by the system, criteria, sub-system until the last level reaches various alternatives and chooses the most appropriate.

## RESEARCH METHODS

This research is a mix method research which combines a qualitative approach and a quantitative approach simultaneously. A qualitative approach is used to find goals, systems, criteria and a variety of alternative ways to develop social entrepreneurship and increase the role of women in it. Meanwhile, the quantitative approach uses quantitative exploratory to see and explore alternatives that have been decided to decide the priority strategy among all existing strategies Shows in Table 1.

| <b>Table 1</b>               |   |
|------------------------------|---|
| <b>PREFERENCE LEVEL</b>      |   |
| <b>Intensity of Interest</b> | <b>Information</b>  |
| 1                            | The two elements are equally important  |
| 3                            | One element is slightly more important than the other   |
| 5                            | One element is more important than the other  |
| 7                            | One element is clearly more absolutely important than other elements                            |
| 9                            | One element is absolutely important from the other elements                                     |
| 2,4,6,8                      | The values between two adjacent consideration values  |
| The opposite                 | If activity i gets a number compared to activity j, then j has the opposite value compared to i |

The population of this study were women from poor communities in Central Java and the sample used area probability sampling techniques and selected Rembang (representing the east coast), Semarang (representing the middle coast) and Tegal (representing the west coast). Informants to be taken are (1) women of productive age who are not and or have not worked; (2) local government; (3) agencies related to empowerment and entrepreneurship; and (4) academics and social entrepreneurship activists.

## RESULTS AND DISCUSSION

The jobs of the poor in Central Java, on average, are agricultural labourers, fishermen, livestock labourers and factory workers. Central Java has abundant natural resources. The coastal area is quite wide and has a lot of marine products that fishermen get, but unfortunately fishermen in Central Java are still experiencing poverty because they can only sell their seafood raw and most of them are sold to collectors. In agricultural or plantation areas, the land is quite abundant. Central Java is one of the highest rice producing areas because the soil is consistently fertile enough for rice. The fruit yields are quite good and varied in Central Java. Many superior fruit products come from Central Java, but unfortunately, farmers just sell them, sometimes even at low prices.

There are 4,279 women from the poor population in Central Java who are in the productive age, but only 0.3% of them are attending university level. The rest are only elementary and junior high school graduates and many have not even finished primary school. Most of the women in Central Java do not get adequate education because women are still object in society. Women are only seen as domestic workers (doing housework), not as productive workers who can make money.

A sample of 99 women from the poor was taken (33 women in each region) to be used as informants along with local government, related agencies and academics. All women who were sampled were measured for their entrepreneurial potential and the results showed that 75% of the total sample did not have potential as entrepreneurs in themselves. These results can be used as a system for determining criteria and determining alternatives for the development of social entrepreneurship in Central Java.

Based on a system that has been found and formulated together through a group discussion forum and triangulated by in-depth interviews, several strategies are formulated to compare each of its elements, namely (1) periodic capital provision; (2) human resource development; (3) establishment of business groups and (4) cooperation with existing businesses. The four strategies that have been formulated together with all the informants collected will then be processed using the Analytical Hierarchy Process method to determine the main strategy level to the very end with a predetermined preference level.

Capital is the heaviest burden for someone who wants to open a business. This is no longer a secret. One of the factors for business failure is capital. Businesses that lack capital may not be able to develop and only run in the same situation. This is also a burden for poor women when they hear about entrepreneurship while having a discussion. Capital in a business is actually not only money; there are many other assets that can be more useful than money. Such as capital in the form of cooperation, capital in human resources and social capital which can be said to be trust (Light & Dana, 2013).

The provision of capital has actually been an old program run by the government. The government has also made relief in taking credit and low interest rates so that the poor can use it as capital. Unfortunately, the program was abused by them. The relief program in taking credit is actually used for consumption activities, not production activities. Periodic provision of capital is still used as an alternative because it is a request from poor women.

Human resources are one of the important aspects that are always developed by humans themselves. Human resources are believed to play an important role in any business or effort. The success of a business is determined by the good or bad of its human resources. Businesses with good human resources generally last longer and achieve success than those with poor human resources. That is because humans have important control over other aspects (Guest, 2011).

Good human resources are believed to come from individuals who have adequate education. Education can change individual thinking to become broader and more complex in solving problems (Mitra et al., 2019). Human resource development is one of the alternatives because all informants agree that the success of a program starts with human resources first. The quality of human resources for poor women population can be said to be low because more of them have low levels of education. Some intense training is deemed suitable as a solution if this strategy is deemed the most appropriate. However, there are obstacles conveyed by academics for human resource development, such as when providing development to those who have good quality. Usually the training will only be considered winds of day and just disappear when the training is over and there is no more feedback.

A business group is a community for the management of a business that is run together and is joint responsibility in all aspects (Samila & Sorenson, 2017). Today, business groups have become a trend in establishing a business. For individuals today, businesses cannot be run and managed independently, and business groups are effective because they are entirely the responsibility of the group. Capital problems are also smaller because they can be borne together.

The alternative for the formation of business groups is planned by looking at the results of the measurement of the entrepreneurial potential of poor women who are classified as small which have potential, namely around 15% of the population. Individuals who have this potential will be gathered into one and formed a business group which will then be guided by the government through the responsible office or with academic assistance. Where the business that is formed will have a concept as social entrepreneurship so that it can contribute to the welfare of the surrounding population, namely other poor women.

There are already more than 2 million micro, small and medium enterprises run by women. This means that women can prove their role to participate in improving the economy in Indonesia. According to the data, the established form of entrepreneurship is still a profit-oriented business. There are still few attempts to orientate their intention to help the environment around them. Seeing the condition of the poor women population in Central Java who do not have enough education, the quality of human resources is not good enough. In addition, in measuring entrepreneurial potential, it turns out that only a few of the total population have entrepreneurial potential in them.

The formation of entrepreneurial potential certainly takes a long time, especially with the conditions of human resources like that. So, the strategy of cooperation with micro, small and medium enterprises that has been established is one of the strategies that are planned. Cooperation with existing businesses is formed as business partners. Several businesses will be selected, especially government-assisted businesses, to undertake this partner program with women from the poor population. Periodic outreach will be carried out aimed at forming a mind set about social entrepreneurship for the actors.

Cooperation with business actors will also be matched with the potential that can be developed from the environment around the population so that production materials will not become a problem in the future. The planned form of cooperation is to expand business to areas close to the target and to employ targets while conducting training and coaching carried out by business actors and the local government. This situation will continue until women are able to stand alone and open their own businesses. The business actor will supervise the opening of the business until the target is deemed able to be released to develop on his own Shows in Table 2.

| <b>Table 2</b>                       |                       |                                  |               |
|--------------------------------------|-----------------------|----------------------------------|---------------|
| <b>CALCULATION RESULTS USING AHP</b> |                       |                                  |               |
| <b>No.</b>                           | <b>Informant</b>      | <b>Alternative</b>               | <b>Weight</b> |
| 1                                    | Poor Population Women | Periodic Capital Giving          | 0.278         |
|                                      |                       | HR Development                   | 0.249         |
|                                      |                       | Establishment of Business Groups | 0.227         |
|                                      |                       | Cooperation with SMEs            | 0.246         |
| 2                                    | Government            | Periodic Capital Giving          | 0.178         |
|                                      |                       | HR Development                   | 0.274         |
|                                      |                       | Establishment of Business Groups | 0.245         |
|                                      |                       | Cooperation with SMEs            | 0.303         |
| 3                                    | SME Office            | Periodic Capital Giving          | 0.176         |
|                                      |                       | HR Development                   | 0.284         |
|                                      |                       | Establishment of Business Groups | 0.192         |
|                                      |                       | Cooperation with SMEs            | 0.348         |
| 4                                    | Academics             | Periodic Capital Giving          | 0.175         |
|                                      |                       | HR Development                   | 0.277         |
|                                      |                       | Establishment of Business Groups | 0.247         |
|                                      |                       | Cooperation with SMEs            | 0.301         |

*Source: Data processed in 2020*

The table above shows the results of the AHP method for each alternative according to each informant. In the table it can be seen that from the government, agencies and academics chose cooperation with micro, small and medium enterprises as the most priority strategy among others with each weighting 30.3% from the government, 34.8% from the service and 30.1 % of academics. It is hoped that this collaboration with existing businesses can accelerate the process and goals to be achieved. The cooperation that is expected is of course not just employing women in the business, but also as a form of effort to make women want to be productive and earn their own income. Other than that, Direct mentoring from business actors is indeed considered more effective because it is not just theory and enthusiasm, but they can provide real examples of building a business from scratch to development. Cooperation with existing businesses according to the government is also an effort to develop the business of the owner.

They can expand their business to areas that have been designated by the government in fostering poor women.

The selected business actors are business actors under the guidance of the micro, small and medium enterprises. This aims to make the control of the agency easier and the actors under direct service guidance, have gone through several lessons about entrepreneurship so that they can pass on theoretical and field knowledge directly to women. Guidance for women through collaboration with business actors can be assisted by academics. So far, what people get about entrepreneurship is only a theory, which everyone knows that what is in theory cannot necessarily be applied in practice. So that many people feel confused when they have done it directly, and when they do not experience what they want, they feel that they have failed in entrepreneurship.

The role of academics in sharing theory is synergized with the role of business actors in sharing practical matters is expected to help foster entrepreneurial attitudes in poor women. Their entrepreneurial attitude can move them to open their own business. When women have been moved to make their own business, the government and agencies will play a role in encouraging their desires.

Poor women gave a different point of view from the other three sources. For poor women, the weight of the four alternatives is almost equal, there is no significant difference. Even so, the alternative of providing periodic capital has the highest weight, namely 27.8% of the total weight of the four alternatives. They prefer to be given periodic capital from the government to run their business, especially material capital or money. For them, the main capital in entrepreneurship is having money. One of the things that women want is to provide loans with 0% interest with a long term so that it does not burden them in repaying them. Another option that was disclosed was the provision of additional capital from the government for them to develop their business.

The government has implemented a program for providing light credit to small entrepreneurs for a long time. This program has been run by several financial institutions, but the results are not what the government wants. Most people even take loans to meet their consumption, not to start a production. Because of this, several financial institutions have complained about bad credit from credit programs to small entrepreneurs. As a result, several financial institutions have closed the program.

The government is clearly disappointed with what the people are doing. That is the basis for the government not wanting to choose an alternative provision of capital. Previous events do not want to exist anymore because it could harm people who do borrow for production, not consumption. Provision of capital in the form of material or money is not a priority strategy in research (Najafizada & Cohen, 2017) in Afghanistan because it will only spoil the people. Starting a business does not only use capital in the form of money. Even an entrepreneur today often does not use a lot of money to become his main capital. Creativity is an important asset in this era of globalization. The full desire to change his life for the better is also an important reference rather than requiring financial capital (Shane et al., 2003).

Human resource development is the second priority strategy chosen by all informants, including women from the poor, the government, responsible government agencies and academics. Human resources have become an important thing for all aspects of life. A country with good human resources will be easier to progress and can reduce poverty significantly. The desired human resource development in this study is in the form of soft skills training given to poor women so that they have skills. The skills they learn can become their capital in creating a

product so that it can be sold again. It is hoped that the provision of skills is in accordance with the natural conditions and the situation of the villagers, so that it does not make women feel difficult to start entrepreneurship.

## CONCLUSION

The flow of the Analytical Hierarchy Process method is to look for a system first to find various kinds of criteria and alternatives. Based on a system that has been discovered and formulated together through a group discussion forum and triangulated by in-depth interviews, several strategies are formulated to compare each of its elements, namely (1) periodic capital provision; (2) human resource development; (3) establishment of business groups and (4) cooperation with existing businesses. After calculating with the Analytical Hierarchy Process method, it was found that cooperation with existing businesses was the most priority strategy to be chosen, then the second strategy was human resource development, the formation of business groups and periodic provision of capital were the most recently implemented strategies because they were thought to only spoil the population. It is feared that the provision of capital in the form of money will only be used for consumption, not production.

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