

# *Family Entrepreneurship Development Model Based on Social Capital through Women Empowerment*

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**Abstract**—The purpose of this study is to find out: (1) women empowerment before and after the design and implementation of a family capital-based family entrepreneurship model towards sustainable development goals; (2) Potential of poor women in developing family entrepreneurship; (3) Opportunities for poor women in developing family entrepreneurship; (4) Contribution of income for women working in the informal sector in their household economy with a family capital-based entrepreneurship model through women empowerment. The results showed that in an effort to reduce poverty, the direction of poverty reduction policies in Buleleng Regency was carried out through pro-poor, pro-job and pro-growth programs that were oriented towards equal distribution of income among community groups, reducing the expenditure burden on the poor, meeting needs basic and equitable development among regions by focusing on aspects of skills ability in increasing women's income and socializing, interacting and exchanging experiences in order to develop businesses.

**Keywords:** entrepreneurship, social capital, empowerment, women

## I. INTRODUCTION

Women's participation in the economy is a key driver of growth. Women Participation in the form of entrepreneurship can create new jobs that have an impact on poverty reduction and improved welfare [1]. Women have natural characters drivers of social change, such as: assertiveness, persuasiveness and courage to take risks [2]. The development of women's entrepreneurship in the world is high. In the 2011-2013 period, the number of female entrepreneurs grew by 20 percent with a total of 98 million new businesses. In 2014 female entrepreneurs in developing countries were estimated at 30 to 37 percent of all micro and small businesses. But there is still a gap between women and men. Women's participation in the economy is only 47.1 percent, below men which reached 72.2 percent [3].

According to a statistical report [4] on the level of poverty in Indonesia, the number of people living below the poverty line in March 2012 was 39.90 million (17.75 percent). Compared to February 2011, the number of poor people increased by 3.95 million. In March 2017, for 5 years there

was a decline in poverty rates nationally. The poor population fell by 9.88 million from 39.90 million people (17.75 percent) to 30.02 million people (12.49 percent) from the total population.

The international commitment of the United Nations Millennium Declaration (2000) contains an important recommendation to be applied in all countries, namely: "to promote gender equality and empowerment of women as effective ways to combat poverty, hunger and disease and stimulate development that is sustainable". The international commitment underscores the importance of achieving gender equality and empowering women as an effective way to eliminate poverty, hunger and disease and to support sustainable development. The importance of incorporating the dimensions of justice and gender equality is the recognition of structural barriers that cause the realization of the rights of the poor. One of the structural obstacles that is of concern here is gender relations that are unequal and unfair [5].

Patriarchal culture has resulted in women being in a weak bargaining position. Meanwhile the voice of women in fighting for their interests is not channeled through the mechanism of formal decision making. Marginalization, discrimination and exploitation of women and children is an important cause of the severity of the problem of poverty faced by developing countries. Therefore, gender mainstreaming in poverty reduction is an inevitable part.

The application of a gender perspective in looking at poverty is not to downplay the meaning of poverty experienced by men, but to emphasize that poverty experienced by women is specific, so that special handling is needed [5]. Related to this, this research is intended to examine the "Development of Family Entrepreneurship Model Based on Social Capital Through Women's Empowerment Towards Sustainable Development Goals", specifically related to the development of entrepreneurship towards a creative economy that focuses on efforts to optimize creativity based on human resources by avoiding resource exploitation nature so that it can realize sustainable benefits.

Women's empowerment is an effort to realize role equality, access and control of women and men in all fields of

development. The women's empowerment programs carried out by the government and the community have been an effort to always create a balanced and distributed development benefit for men and women.

## II. LITERATURE REVIEW

### a. *Economic Theory Approach*

The economic theory approach will be used in this study, because it focuses on women working with indicators of the type of work, income, outpouring of work time and their contribution to improving the family economy. The theory is about economic transformation, where there are three periods of development, namely: the family based, the family waged economy and the consumer economy.

1. The based economy, where households are still the basis of economic activity. In the sense that the production process activities are in the household, thus domestic work is not abandoned. But its weakness is that it is difficult to separate the role of the economy and its domestic role.
2. The family waged economy, marked by the transformation of economic activities from agriculture in this case fisheries, to trade. During this period labor was no longer concentrated in household activities, but outside the home, namely in factories that grew and developed in accordance with the development of industrialization. At the moment this appears to be called a dual role for women.
3. The consumer economy family, in this period there were economic and technological changes which were marked by the transition from the domestic economy towards economic consumers, which then changed the image and position of women.

The next economic aspect is its role in income distribution, both horizontal distribution (age distribution in various income groups or intergenerational distribution), and vertical distribution (equity among income groups). Horizontal equalization occurs because most of the *guarantees received* by the older generation are borne by the younger generation. While vertical equity is caused by principles in calculating collateral.

### b. *Women Empowerment*

Women's empowerment is an effort to realize role equality, access and control of women and men in all fields of development. The women's empowerment programs carried out by the government and the community have been an effort to always create a balanced and distributed development benefit for men and women. Various steps can be taken to create male and female equality or gender equality, among others by developing family entrepreneurship so that a balanced role can be realized between men and women in the family to jointly develop and develop the family economy to achieve family welfare. Although efforts to build gender equality have been carried out for quite a long time, there are still many things and sides of life that have not reflected the existence of equality between women and men. The lack of

attention and intensity and continuity of women's empowerment programs is one of the causes of the lack of gender equality. Therefore, more active, intensive, serious and sustainable efforts are needed to build gender equality through women's empowerment programs. Until now, many poor families, by themselves, reflect the number of poor women. Meanwhile programs to empower poor women to increase economic independence are still very limited.

### c. *Social Capital*

Social capital refers to aspects of social organizations, such as beliefs, norms, and social networks that can facilitate collective action. Social capital is emphasized on community togetherness to improve the quality of life together and make better changes and continuous adjustments. The ability of people to be able to work together cannot be separated from the role of social capital they have. The core of social capital lies in how the ability of the community in an entity or group to work together to build a network to achieve a common goal. The collaboration is characterized by a pattern of interrelation and mutual benefit (re-siprocity), and is built on trust that is supported by norms and positive and strong social values. The concept of social capital is also very complex, which can be formulated based on the point of view of the experts concerned, so that social capital is a resource in the form of a network that has knowledge of values, norms, and social or institutional structures that have a spirit of cooperation, honesty / trust, doing goodness, as knowledge of acting, acting, and behaving that will have positive implications for productivity.

## III. RESEARCH DESIGN

The strategy of increasing the independence of rural women in the industry through the family entrepreneurship model in Buleleng Regency Based on social capital through women's empowerment towards sustainable development goals, carried out through three approaches/strategies, which include; First, increasing women's independence is done by increasing meso social capital and capacity levels. Meso social capital affects the strengthening of micro social capital, and the level of capacity, meso social capital in addition to being influenced by environmental support also by maximizing the role of counseling which includes: (1) facilitating the creativity of rural women; (2) encourage the use of technology and product innovation according to environmental support; (3) improving management of knowledge, attitudes and skills (search and storage of raw materials, packaging and delivery); and (4) conduct training and facilitation of information access. so that a change in the mindset of women and families becomes more open.

The different significance of this research with previous researchers lies in the dimensions of the Sustainable Development Goals, where simple welfare can be measured by fulfilling basic needs such as food, health, housing, etc., to what extent are enjoyed by women and men. The dimensions of access and control of resources point to the extent to which men and women have the opportunity and are able to make

decisions on production resources, the extent to which men and women have access and control over resources such as land, labor, credit, information and skills. The gap between women and men in resources results in the productivity of women and men differently.

**IV. RESULTS AND DISCUSSION**

*A. Research result*

Social capital is the energy of development. This is because social capital will influence the strength of the community and the social basis in solving problems that arise. Social capital will provide a boost of success for various parties because it can encourage the community independently to achieve maximum goals. Social capital can be applied to various needs, but the most is for community empowerment efforts. Concern about the role of social capital increasingly leads to issues of local economic development, including the reduction of poverty levels [6] revealed that social capital is a pattern of social life that consists of networks, norms, and beliefs that make participants able to act effectively together to achieve common goals. Social capital is a concept that emerges as a result of long-term and continuous community interactions. Existing interaction, communication, and cooperation are influenced by the desire to achieve common goals that are sometimes different from one's own goals. This will create an emotional bond to unite the community resulting in the trust of old relationships. Thus, social capital can influence the bond between relations in achieving the desired goals. [7] revealed in his research that strong ethnic relations within local communities can sustain the majority of small entrepreneurs to be reliable.

Small business managers can get access to credit loans with little interest, borrow from each other when they have large production orders, share product tools and information. In addition, networks between them can help in determining the operations of many companies, and can even be profitable. And the existence of social capital ties involving close collaboration of family networks helps shape the climate of trust among certain groups of local entrepreneurs and raises the level of corporate cooperation. The theorizes about dynamic processes in which third parties help rebuild aggregate trust in highly competitive business relationships and trust in several groups of companies. Today's corporate groups are often challenged for their competitive battle with cooperative efforts to overtake foreign competitors generally, given the increasingly globalized market. Collaboration and competition is an achievement that is cognitively difficult to achieve, especially considering that mistrust sometimes exists within the company. For these interdependent challenges, the model offered here proposes that corporate groups can rely on assistance from trust facilitators to improve aggregate trust relationships. In a process of improvement, trust facilitators utilize their reputation and trust facilitation capabilities (i.e. entrepreneurial leadership and mediation / arbitration skills) to help SME leaders limit the domain of their multiplex business relationships where their companies can form mutual trust and share risks and investment from joint activities. To be able to

rebuild trust and establish relationships, third parties are needed to establish trust among companies. These third parties are called trust facilitators, namely individuals, government institutions or independent organizations that utilize their reputation and abilities in inter-company relations. According to [8] the importance of the role of cooperation in social capital can maximize social welfare. The grouping of sources of social capital is adjusted to the approach used in the measurement of social capital and is broadly divided into three main groups namely Trust, Share value (Norm) and Network.

Some researchers previously reviewed women's empowerment, such as: [9] women entrepreneurs should not be a monolithic category, but policies that can support them are based on diagnosing the characteristics and motives of their personalities so that they can strengthen their attractiveness as a basis for decent and innovative entrepreneurial activities. [9], the results of the study show that the social capital owned by the himatos group is very much felt so that it provides effective results towards the development of the businesses they manage, while the low trust and weak social capital in the group in Malaysia did not provide the expected results.

Through the WEAI approach, the index used in evaluating effectiveness is to use the six dimensions of women's empowerment. Several indicators have been determined for each of these six dimensions. none of the appropriate characteristics of women's empowerment is used on all indicators. To determine the characteristics that are relevant to the specific area where the survey was carried out, namely through a questionnaire survey of women in the home industry. The six dimensions and 26 characteristics identified are listed in Figure 1.

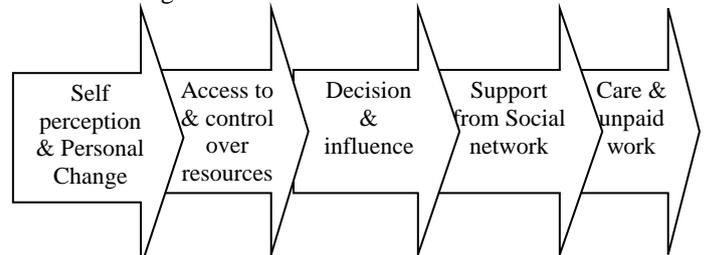


Figure 1. Key dimensions of women empowerment (Adopted from: [10])

Outcome Area	Evidence of Impact	Linked to the project	Comments
Overall measure of womens empowerment	Yes	Yes	Women involved in family entrepreneurship activities promise higher levels of income through mastery of science and technology
Access to & control over resources	Yes	Yes	Women involved in entrepreneurial activities report higher levels of

			contribution from personal income to households; The evaluation also found evidence that women involved in entrepreneurial activities have a higher level of access to savings and credit.
Decision & influence	Yes	Yes	There is evidence of increased decision making power in the household. Women involved in entrepreneurial activities report higher levels of household decision making power than women in other groups
Support from Social network	Yes	Yes	Based on the evaluation found a higher level of group participation associated with the two groups of participants, and a higher level of support from the different groups involved
Care & unpaid work	Yes	Yes	The results show that women who are involved in family entrepreneurial activities are associated with a smaller amount of time devoted to leisure, compared to women who are not involved in activities

*B. Discussion*

The level of independence will have an impact (outcome) on the sustainability of women's family welfare efforts, in the form of (1) sustainable life and security related to elements of market certainty, resource availability and environmental support, and optimization of the role of socio-economic institutions; (2) Income generating family is characterized by;

increased self-esteem of women, can feel a better level of life, have the opportunity to make accumulation of assets, (3) increase in family welfare (wellbeing of family) characterized by; fulfillment of basic life needs (economy, education and holidays), increased saving culture, and the development of sharing behavior (helping).

Capacity building is done by strengthening meso social capital through increasing institutional quality, and the role of extension agents. improving institutional quality so that the businesses run by women become efficient include the involvement of women in the Cooperative and the association. strengthening institutions, including; (1) strengthening institutions that are just and trustworthy; (2) guarantee of business climate; (3) revamping the structure and market network; and (4) availability of cheap and easy capital sources. increase in extension activities in an intensive and sustainable manner, through mentoring, facilitation and comparative studies (field trips) by involving family members.

The low level of education and scale of business influences the existence of micro social capital strengthening micro social capital (Family) is built through various efforts to improve the character of the players of the home industry through: (1) efforts to open up all information, (2) increase the scale/capacity; do repositioning / attitude from inward looking to outward looking; (4) efforts to maintain business continuity; (5) always try to build networks.

The next dimension is control, which sees gender gaps in than allocation of power between women and men in all fields. Who controls the tools of work, labor, capital formation, and others. Empowerment is directed at a balanced allocation of power between women and men. An entrepreneur is strived to have the ability to create something new, different from the others or able to create something different from what was already there.

**V. CONCLUSION**

*A. Conclusion*

The concept of social capital regarding interpersonal social interaction has become a major topic in several fields of research. Although still in debate, the role of social capital in social and economic aspects is a new paradigm in inclusive development [11]. Social interaction occurs because of mutual assistance between individuals, between communities, and between groups to achieve common goals. Although the definition of social capital is still diverse and understood differently, there has been convergence towards social networks, norms, and values that facilitate collective action. Social networking is the relationship of individuals who know each other as family, friends, or neighbors to a group [6]. Norms are unwritten rules that describe the values of a group [12]. Communication and interaction between individuals is strongly influenced by certain rules and social norms in the local community. Interactions between individuals in groups show mutual trust [13]. Mutual trust can be created and developed through education and relatively diverse individual interactions [14].

Based on these conditions, the research on "The Development of Family Entrepreneurship Model Based on Social Capital Through Women's Empowerment Towards Sustainable Development Goals" is very important and urgent to do as an effort to anticipate increasingly severe poverty that can worsen the condition of poor women, especially in rural areas. This research will be directed to build the spirit of life for poor women in rural areas by trying to build their competencies to create, express and innovate, so they can be independent and able to support the family economy

### *B. Suggestion*

Viewed from the aspect of capacity building, it can be said that the condition of the existing community has not experienced much increased independence in getting the opportunity to get a job so that it can increase the level of welfare. The goal of economic empowerment is actually increasing the capacity of the community to access opportunities and manage available economic resources, through providing intensive and sustainable stimulus and business development, so that the community can be said to be economically empowered when they are able to run the economy in their community good, effective and efficient.

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