

# Exploring Social Entrepreneurship in the Community Affected by the Jatigede Reservoir Infrastructure Development Project

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## ABSTRACT

Infrastructure development in Indonesia is growing rapidly, given Indonesia's economic growth that is still lacking to be said as a developed country. Development can occur in various industrial sectors, one of which is Jatigede Reservoir located at Sumedang regency. This infrastructure development certainly has an impact, especially for communities around the development site, which can lead to social issues. Because of this development, the opportunity for social entrepreneurship is quite large and its role is urgently needed when the government has not been able to meet the needs of communities affected by development. Unfortunately, in Indonesia, social entrepreneurship is still very limited. Therefore, this study aims to explore the influence of the social entrepreneurship environment on the community affected by the development of Jatigede Reservoir, to be considered by social entrepreneurs. This research used a qualitative approach with a semi-structured interview. The results discover that the development of infrastructure has an impact on how the local community creates a new business, particularly in tourism activities, and at the same time boosts the local income. Particularly, this study determines three significant antecedents of social entrepreneurship opportunity in the tourism sector. The interview result indicates human capital, social capital, and desirability as well as feasibility as antecedents of social entrepreneurship. Thus, this study recommends the policymakers in the tourism industry to facilitate the entrepreneurs not only financial resources but also in the form of programs and activities to increase their knowledge.

**Keywords:** Social entrepreneurship, local communities, Jatigede reservoir Sumedang.

## 1. INTRODUCTION

Development is a process of change in various fields of community life which aims to improve welfare by building facilities and assets that support the community, one of which is infrastructure [1]. Good infrastructure can help increase productivity and lower costs in a direct economic activity [2]. Economic growth in Indonesia was still at 4.73 percent in September 2015 and is still far from 7 percent for 2025 to be called a developed country [3]. In response to this, the government formed the Committee for the Acceleration of Priority Infrastructure Provision (Komite Percepatan Penyediaan Infrastruktur rainy season and drought during the dry season. This infrastructure development process certainly has its own impact, including in economic, social, and biodiversity sectors. The economic impact is in the form of changes in livelihoods that require affected communities to adapt according to existing resources [5]. Meanwhile, social impact is caused by people wanting to adjust to their surroundings or social changes [6]. These impacts are a

Prioritas or KPPIP). KPPIP is tasked with leading the coordination of infrastructure acceleration and encouraging improvement in the quality of development preparation. It is assisted by the Ministry of Public Works and Public Housing through BPIW which has also made rapid improvements in infrastructure because Indonesia's global infrastructure competitiveness index has decreased in 2019 compared to 2018 [4].

One of the infrastructure developments is in the tourism industry, such as the development of the Jatigede Reservoir. The Jatigede Reservoir aims to overcome floods during the

social issue that must be considered by the government and society. This is an opportunity for social entrepreneurs to carry out their social mission. Social entrepreneur is the actor of social entrepreneurship. Social entrepreneurship is a business whose main activity focuses on social goals [7], in which companies get benefits by fulfilling social missions [8].

The existence of social entrepreneurship can help the government and also the affected community in dealing with social issues. Several previous studies have explained that social entrepreneurship is expected to open the way to a more prosperous and just society, which is built on the basis of meeting local needs and innovative solutions [9], [10]. Social entrepreneurship can overcome poverty problems, inadequate public services, social inclusion, and environmental problems that often occur in areas affected by development [11].

Understanding the benefits of social entrepreneurship to help affected communities does not make social enterprises in Indonesia develop rapidly. Therefore, this paper wants to explore the influence of the social entrepreneurship environment for communities affected by development, especially those who are around the Jatigede Reservoir. It is hoped that this paper can be used as a consideration for the government to prepare a proper policy in order to involve the community doing the right social entrepreneurship.

## 2. LITERATURE REVIEW

### 1. The Impact of Jatigede Reservoir Development

Infrastructure development certainly has several impacts on the communities around the development site. In the development of Jatigede Reservoir, several impacts that may occur include economic, social, and biodiversity impacts. In addition to the physical development that is carried out, empowerment of affected communities also needs to be done so that people are competent and ready to optimize opportunities that arise from infrastructure development [12].

The economic and social impacts occur in the form of changes in livelihoods that require affected communities to adapt according to existing resources; besides, people want to adjust to their surroundings or social changes [6]. A study by Suhandi (2018) shows that the government has not been maximized in overcoming the social impacts that occur due to development [13]. There are five stages that the government needs to take in overcoming the impacts of development according to the Mulgan Theory. However, in Jatigede Reservoir, three stages have not been properly considered, namely the environmental stage, the objectives, and the direction of achievement.

Next, biodiversity impact occurs on biodiversity, which in Indonesia will be greatly affected [14]. The land that was originally a rice field for farming will certainly have different biodiversity from the biodiversity of the reservoir.

### 2. Tourism Social Entrepreneurship

Social entrepreneurship in general is a combination of activities between entrepreneurship and social mission [15], [16]. Social entrepreneurship, of course, must also have the products or services offered and have consumers

for these services or products; the profits from the products sold are then aimed at a social mission again [16]. Actors of social entrepreneurship are called social entrepreneurs, often described as a "rare breed", because they have characteristics, knowledge, altruistic values, and cognitive capacities that other entrepreneurs do not have [17], [18].

Social entrepreneurship plays a role in overcoming the problem of poverty, inadequate public services, social inclusion, and environmental problems that have not been solved by the government and commercial entrepreneurs [19], [20]. In order to continue running, social entrepreneurship needs to have a good reputation and status [21] which means that it must rely on community support because if other stakeholders and institutions are less supportive, the related communities will continue to support [20].

The number of social issues today makes opportunities for social entrepreneurship to be found in various sectors, and the tourism industry is considered a sector with great opportunities [22]. The construction and development of the Jatigede Reservoir in Sumedang is one form of development in the tourism industry. Tourism social entrepreneurship (TSE) is a process that uses tourism to provide direct solutions to social, economic, and environmental problems by empowering the resources needed for sustainable social transformation [23].

According to [24], the adoption of social entrepreneurship in the tourism industry includes:

1. Stimulate the sustainability of an industry where social entrepreneurship offers an alternative to sustainable tourism products and services.
2. Encourage policies and regulations that produce a positive environmental and social environment.
3. Help traditional tourism companies to follow responsible tourism practices.
4. Promote local economic development and attract global interest.
5. Become the basis for other entrepreneurial activities related to development.

### 3. Key Antecedents of Social Entrepreneurship

Social entrepreneurship is related to many aspects such as social entrepreneurs, social environment, and institutional environment. At the individual level, this research focuses on the key role of social entrepreneurs, whose value will impact behavior [25], [26]. In addition, social and institutional environmental factors have a substantial effect on the development and execution of viable and social entrepreneurship [9], [26]. Specifically, social and institutional aspects consist of community awareness about social entrepreneurship, funding from government organizations, financial support from foundations, and related support from other non-profit organizations.

In addition, [9] observe the entrepreneurial intention process of social entrepreneurship, which automates the black box decision-making process for entrepreneurial activities. Moreover, [9] find the determinants of the entrepreneurial intention of social entrepreneurs, namely cognitive desire and cognitive feasibility. Cognitive desire is the extent of desire to create social entrepreneurial activities. Meanwhile, cognitive feasibility is an individual evaluation of the capability of social entrepreneurs to begin social entrepreneurship activities. Personal values and cognitive attitudes are considered as the determinants of the cognitive desirability of a social entrepreneur. Further, cognitive feasibility is influenced by factors such as personal capability, self-reliance, and community support [27], [28], [29].

### 3. RESEARCH METHODOLOGY

This study is contextual research as a part of qualitative research which works by exploring and describing the understanding and perception of participants about certain phenomena they experience [30]. The primary data were collected using a semi-structured interview in March 2021. A total of 15 participants consisting of local traders around the development area were involved in the study. Three main questions were needed to be responded to by the informants:

1. How are the participant's experiences in entrepreneurship?
2. Who are the key stakeholders that facilitate the participant in developing the business idea?
3. What are the participant's business dreams, values, and vision?

The semi-structured interviews were conducted in about 30 minutes - 1 hour by complying with the interview code of ethics. The interview process was carried out from several sources until a saturation point was reached where no new information was found. The interview results were transcribed and analyzed using the coding method - otherwise known as the content analysis stage [31]. Coding aims to categorize the data based on similarity of meaning into several clusters that are identified as their relationship with each other [30]. The code from this coding stage was elaborated with the results of content analysis from secondary data in order to get more comprehensive results. Then, the elaboration results produced the key impact of infrastructure development on the local community which allows them to create a new business, particularly in tourism activities, and also increases their income.

### 4. RESULT AND DISCUSSION

Participants in this study were local traders around the area of Jatigede Reservoir, Sumedang, West Java. In

order to maintain the privacy of each participant, the author used the initials for the profile of the participants as shown in Table 1.

**Table 1.** Profile of participants

| No. | Participant | Duration being a trader (years) | Location                 |
|-----|-------------|---------------------------------|--------------------------|
| 1.  | OH          | 6                               | Lingkar Timur Jatigede   |
| 2.  | AG          | 4                               | Panenjoan                |
| 3.  | ST          | 5                               | Panenjoan                |
| 4.  | DT          | 1                               | Panenjoan                |
| 5.  | SH          | 6                               | Panenjoan                |
| 6.  | SR          | 6                               | Tanjung Duriat           |
| 7.  | IS          | 1                               | Lingkar Timur Jatigede   |
| 8.  | IH          | 1                               | Lingkar Timur Jatigede   |
| 9.  | WN          | 1                               | Lingkar Timur Jatigede   |
| 10. | IM          | 6                               | Lingkar Timur Jatigede   |
| 11. | SHT         | 6                               | Tanjung Duriat           |
| 12. | DH          | 5                               | Panenjoan                |
| 13. | RI          | 3                               | Panenjoan                |
| 14. | MA          | 4                               | Lingkar Selatan Jatigede |
| 15. | SI          | 5                               | Tanjung Duriat           |

As previously discussed, the data from the interviews were made into transcripts and analyzed using the coding method – otherwise known as the content analysis stage. At the initial stage, after transcribing the interview results and reading them carefully, the researchers marked the keywords and coded or categorized the data. Then, a list

of topics was made and similar topics were marked so that similarities and differences between topics can be identified. After an in-depth analysis of the similarities and differences, these topics were grouped into three key points antecedents of Social Entrepreneurship, namely human capital (the entrepreneur and his or her own capabilities); social capital (the actors involved in the networks of social links), and desirability as well as feasibility in social entrepreneurship.

### 1. Human Capital

From a total of 15 informants, there are 9 local traders who have preceding experience in entrepreneurship. Informant 4., DT revealed that *"Previously, I had experience in opening a rental business for a resting place nearby the area Jatigede Reservoir, now I develop a food and beverage shop. I have also the intention to sell rice and side dishes according to consumer demand, but there are capital constraints"*. Differently, informant 9, WN said that *"I have no experience as an entrepreneur (previously a worker). The business idea was started with finding it difficult to find a job after leaving work and having the remaining money saved (as working capital). Innovative ideas were started from the lifestyle of the market segment (young people) as well as competitor's analysis"*.

It indicates that the development of Jatigede Reservoir has provided opportunities to create new businesses, particularly in local societies. Moreover, the local traders nearby the area of Jatigede Reservoir have also recognized these opportunities and assemble their own resources for new business. These statements affirm the previous literature related to sources of business ideas of tourism entrepreneurs, namely existing business and situation as well as skills, ability, and aptitude [32], [33]. In addition, the local traders' entrepreneurial or work experience and knowledge of customers' problems are the components of human capital in determining entrepreneurial opportunities [34]. Human capital is considered as knowledge and necessary skills to start up a new business [35]. Accordingly, in this study, human capital is also considered as an antecedent of social entrepreneurship.

### 2. Social Capital

In developing the business, all informants mentioned that there was no support yet provided by stakeholders either in the form of programs, activities, or other resources. Informant 1, DH explained that *"I got business capital from my own loan to the bank. There is no support (either in the form of programs/activities or other resources) from stakeholders, both Central Government/Local Government"*. In addition, Informant 4, DT said that *"I got money for this business from the shop next door (my friend). Honestly, we need support in the form of programs, activities, or other resources from stakeholders"*.

Starting up a business nearby the area of Jatigede Reservoir for the local traders is about merging resources in relationships. As stated by the informants, they need to interrelate with others, including nearby society and stakeholders. While human capital is represented in the skills and knowledge acquired by an individual, social capital is represented in the relationships among societies [33], [35]. Social capital in entrepreneurship is defined as the actors involved in the networks of social links [33]. Despite the importance of human capital factors, this study has also confirmed social capital as a critical matter for social entrepreneurship. It means, the entrepreneurs can gain their business opportunities by recombining resources through interconnected business relationships.

### 3. Desirability and feasibility in social entrepreneurship

From the interviews, it was found that all informants felt pleased to be an entrepreneur, for instance, informant 6, SR narrated that *"I feel proud to be an entrepreneur because I can be independent by taking the opportunities"*. This statement is agreed by informant 9, WN is adding that *"... I feel pleased to be an entrepreneur because I can help others (create employment)"*. This notion is aligned with [36] in which perceived desirability leads to the intention to become an entrepreneur. Perceived desirability in entrepreneurship can be defined as the individual feeling that the idea of starting a business and entrepreneurial activities is valuable [36].

In addition, all informants of this study mentioned that they have ideas, dreams, and long-term visions regarding their businesses. Such visions was noticed by informant 6, SR who declared that *"my dream is to make a small shop, lodging and children's playground and even a mini gas station"*. Differently, informant 12 and 13 stated that *"... my dream is to set up a floating shop"*. These statements pinpoint that the construction, development of the Jatigede Reservoir in Sumedang has become the basis for entrepreneurial activities [24]. The informant's belief in his ability to do business can be considered as feasible in entrepreneurship, which is able to motivate them to become an entrepreneur [36], [37].

## 5. CONCLUSION

Social entrepreneurs can be defined as entrepreneurs who manage productive business activities to solve social problems that exist in society. The results of this study reveal that the development of Jatigede Reservoir positively influences entrepreneurial behavior, particularly entrepreneurial intentions induced into action. Specifically, this study attempts to provide the three most important predictors of social entrepreneurship opportunities in the tourism sector. From the interviews, this study points out the antecedents of social entrepreneurial opportunity in the tourism sector, namely human capital (the entrepreneur and his or her own capabilities); social capital (the actors

involved in the networks of social links), and desirability as well as feasibility in social entrepreneurship.

## 6. RECOMMENDATIONS

By referring to these findings, the authors suggest facilitating the entrepreneurs to discover business opportunities. The tourism industry should improve individual capabilities, social network links, and desirability as well as feasibility in social entrepreneurship. In particular, to discover business opportunities, the entrepreneurs need not only financial resources but also programs and activities to improve their knowledge given by the policymakers or other stakeholders in the tourism industry. However, the future study should focus on different industries, since this study is limited in the field of the tourism industry. In addition, the findings of this study are also limited by the nature of the qualitative research methods employed.

## ACKNOWLEDGMENT

This work was funded by Direktorat Sumber Daya, Direktorat Jenderal Pendidikan Tinggi, Kemendikbud Ristek.

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