

Social Entrepreneurship as an Effort for Economic Recovery During the Covid-19 Pandemic

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ABSTRACT

This study aims to determine Social Entrepreneurship as an Effort for Economic Recovery During the Covid-19 Pandemic. This survey study collected data using questionnaires involving Indonesian society in Ciamis, West Java. The results showed that Social entrepreneurship can minimize economic difficulties during the Covid-19 pandemic, that social entrepreneurship provides job opportunities for local communities, and that Social entrepreneurship can improve people's welfare.

Keywords: social entrepreneurship, economy, Covid-19 pandemic.

1. INTRODUCTION

The Covid-19 outbreak hits the world really hard. In Indonesia in particular, as many as 86,835 died of this novel coronavirus as of July 27, 2021 [1]. WHO has promoted physical distancing and self-isolation as a way to curb the Covid-19 related risks [2]. In Indonesia, the Covid-19 pandemic has been stated in the Presidential Decree No. 12 of 2020 as national disaster. To avoid the wider spread of Covid-19, the Indonesian government is forced to adopt a policy of social and physical distancing. People are told to temporarily stay at home, work from home, studying from home and worshipping at home [3].

Social distancing, self-isolation, and travel restriction has caused the increase in unemployment in almost every sector [4].

Due to the increasing spread of Covid-19 in Indonesia, the government issued a decision through the Minister of Home Affairs Instruction Number 15 of 2021 concerning the Enforcement of Emergency Restriction of Public Activity in the Java and Bali Region stating:

1. All classroom meetings in schools, ranging from kindergarten to higher education, are suspended and instructional activities are carried out online.

2. 100% work from office policy is applied to all offices.
3. 50% workers from essential sectors like finance and banking, capital market, payment system, ICT, and export-oriented industry are allowed to work from office, and 100% workers from critical sectors like hospitals, pharmacies and providers of daily primary needs are permitted to work from office.
4. Shopping centers, malls, and trade centers are closed, but restaurants, supermarkets, and self-service markets are permitted to operate taking account the regulations in the existing dictum.
5. 100% workers from construction sectors are allowed to work in the construction site but are urged to comply with the Covid-19 protocols.
6. Places of worship like mosques, churches, temples, vihara, and other public places functioning as places of worship are temporarily closed.
7. Public facilities like parks, tourist attractions and other public areas are temporarily closed
8. Arts, culture, sports, and social activities in art and cultural studios, sports facilities, and social activities involving big crowds are temporarily suspended.

9. Public transportation (shared taxis, mass transportation, online taxis) continues to operate with a maximum capacity setting of 70% (seventy percent) [5].

The government is responsible to deal with the Covid-19 related issues [6]. The abovementioned public activity restrictions have direct impacts on the economy. Some companies are closed because raw material supplies are hard to get and their production and marketing do not operate. Workers are either temporarily or permanently laid off. Companies in business-related entrepreneurship integrate public health (health-related issues) into the study of entrepreneurship and consider the effects on business performance [7].

There are 29.12 million people of working age affected by the COVID-19 pandemic and the number of open unemployment has reached 9.77 million people. 24.03 million people are still employed despite experiencing reduced working hours due to COVID-19, 2.56 million people lost their jobs, 1.77 million people were temporarily laid off, and around 760 thousand people were not in the labor force as a result of the pandemic [8].

Public activity restrictions imposed by the Indonesian government to minimize the spread of the Covid-19 have impacts on many sectors including education, health, employment, and economy. As people's purchasing power drastically declines, so does companies' turnover. Social entrepreneurship is a practical, innovative, and sustainable approach solution for marginalized economic class people to overcome social problems including economic problems.

The poverty rate is increasing from time to time. To reduce the number of poor people, the Indonesian government has launched the what-so-called *Bantuan Langsung Tunai* (Unconditional Cash Transfer) program. However, the efforts have not been able to significantly reduce the poverty rate [9].

Social entrepreneurship activities can create social and economic value, provide job opportunities for the community, can innovate / new goods and services in order to provide added value for the community, provide social capital for the community and provide equity promotion for the community [10]. The COVID-19 pandemic has resulted in a worsening of the economy, but the positive side is that the social piety of the Indonesian people has increased.

Social entrepreneurship activities decline during socioeconomic crises and high uncertainty, such as those caused by Covid-19 [11].

There is a lot of potentials for small businesses to contribute to better rebuilding a more inclusive and greener post-Covid economy, especially if activated by targeted multi-stakeholder support measures [12].

This study aims to determine Social Entrepreneurship as an Effort for Economic Recovery During the Covid-19 Pandemic. This survey study collected data using questionnaires involving Indonesian society in Ciamis, West Java. Community activities from home through the creative economy can be of economic value for many communities, one of which is community economic activists within the scope of social entrepreneurship carried out by the Youth Organization (known as *Karang Taruna*) in the locus of the study.

2. METHODS

This study was conducted using a survey method. Data were collected using questionnaires. The aim is to obtain information about a number of respondents deemed representative of a particular population [13]. Thus, a survey is a research that takes a sample from one population and uses a questionnaire as the main data collection tool [14]. In general, the unit of analysis in survey research is the individual. Survey research can be used for descriptive purposes. Descriptive research is intended for the careful measurement of certain social phenomena [14]. Indicators include elements of program success consisting of conflict, duration, liking, consistency, energy, timing, and trend. This study was conducted using a descriptive approach. This study operates a variable about social entrepreneurship as an effort to recover the economy during the COVID-19 pandemic with a population of 46,366 people in Baregbeg Subdistrict, Ciamis Regency, West Java, Indonesia [15], from which a sample size of 25 was selected.

3. RESULTS AND DISCUSSION

Based on the results of the study, the studied people in Jelat Village, Baregbeg Subdistrict felt that the Covid-19 pandemic has led to prolonged economic difficulties due to loss of job and lack of income. Thanks to the initiation of the *Karang Taruna* community mobilizer in the village, supported by the village and subdistrict administrations, several social entrepreneurship units were established in the form of micro-economic businesses and home-based industries. The types of businesses include fishing rods and fishing equipment, home furnishings (mat making) and other home industries such as round tofu and simple snacks. *Karang Taruna* mobilizes the community by organizing trainings, thanks to which the community has explored its ability to create products that can generate income to cover their daily needs.

Entrepreneurial development is mapped by Bornstein [16] as follows: poverty reduction through empowerment such as the microfinance movement, provision of health services, ranging from small-scale support for the mentally ill to the community scale, education and training such as efforts to widen participation and

democratize knowledge transfer, environmental preservation and sustainable development, community regeneration, welfare projects such as job creation for the unemployed or homeless and projects to tackle alcohol and drug related problems, and campaigns and advocacy such as promotion of fair trade and promotion of human rights.

President Joko Widodo (Jokowi) declared the Corona virus pandemic (Covid-19) to be a heavy blow to the Indonesian economy. Not only that, the pandemic has also caused world economic growth to slow down [17].

Based on the results of a questionnaire on social entrepreneurship as an effort to recover the economy during the COVID-19 pandemic;

2. Social entrepreneurship can minimize economic difficulties during the COVID-19 pandemic. 78% of respondents who are social entrepreneurs feel helped by Karang Taruna social activists through social entrepreneurship activities. The increasing unemployment rate due to the Covid-19 pandemic has made people start to look at entrepreneurship. Social entrepreneurship is a social-based entrepreneurship aimed at the benefit of the community, not just personal gain. This social entrepreneurship can be done individually or in social organizations and entrepreneurship which means as a person/organization who understands social problems and uses entrepreneurial abilities to make social change. The practice of social entrepreneurship has played an important role in poverty alleviation, wealth creation, welfare improvement, and environmental preservation. Fluctuating economic growth conditions were triggered by many factors, ranging from trade activities, production levels, inflation and several other factors. The Covid-19 pandemic has brought the world into a dire crisis. [18]

3. Social entrepreneurship provides job opportunities for the surrounding community. The results of the questionnaire show that 86% of social entrepreneurship carried out by social business activists through activities provide job opportunities. Initially, before the development of social entrepreneurship activities, the community had difficulty finding work. Now they have jobs to fulfill their daily needs. Social entrepreneurship is a movement with a social mission, which is endeavored by efforts to find opportunities and cultivate them with innovation and a relentless learning process, and is supported by readiness to act even with systemic limited resources. In the context of social entrepreneurship, the intended value is social value. Social entrepreneurship can be a way for someone to make social change. Pandemic has a significant effect on people's lives, both those with civil servant and non-PNS backgrounds and those who live in rural and urban areas, [19].

4. Social entrepreneurship can prosper the community in Baregbeg subdistrict. The results of the questionnaire show that 65% of social entrepreneurship contributes to improving people's welfare. Social entrepreneurship carried out by Karang Taruna in Jelat Village, Baregbeg subdistrict, provides added value for the surrounding community in the form of independent business. The community considers that even though the business is only a small-scale home industry, it provides income to fulfill their daily needs. It is expected that when the pandemic ends, the business will be expanded more widely with increased production and wider market reach. Respondent's income experienced sharp decline between 30%-70% at the beginning of the pandemic while spending tends to permanent. This condition causes respondents to have to deal with family expenses. By In general, there is a decrease in the income level of respondents during the pandemic, however not all respondents make drastic changes in food patterns [20].

4. CONCLUSIONS

The results showed that; Social entrepreneurship can minimize economic difficulties during the COVID-19 pandemic. Social entrepreneurship provides job opportunities for the surrounding community and improves the welfare of the community so that it contributes added value to the surrounding community in the form of independent business creativity.

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