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Entrepreneurship as Social Problem Solving: Case Study in Tasikmalaya

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A B S T R A C T

Social problems are problems that are contrary to the social values adopted by society, such as poverty. Tasikmalaya Regency is one of the areas that has a fairly high poverty rate. MSMEs are one way to alleviate poverty. The purpose of this study is to determine the role of MSMEs in solving social problems in Tasikmalaya Regency. The results of this study are that SMEs play a role in reducing unemployment with the comparison that 1 UMKM is able to empower 2-9 workers. In addition, MSMEs in Tasikmalaya Regency are able to reduce the number of poor people. This can be seen from the average amount of wages received by workers in the MSME sector which is above the monthly expenditure for basic needs with a ratio of IDR 3.150.572,55 to IDR 977.655 per capita.

A R T I C L E   I N F O

1. INTRODUCTION

Social problems are unfinished problems and conflict with social values held by society. According to Setiadi & Kolip (2020) "social problems are also called social pathology which is a condition in social life between one element and another that does not carry out its functions and roles in accordance with prevailing social values and norms". In addition, according to Tutesa & Wisman (2020) social problems are a discrepancy between elements of culture or society, which harms and hinders the basic desires of social groups, thus triggering lameness and gaps in social ties.

Some of the social problems that occur in Indonesia are poverty, crime, and family disorganization. This is as stated by Setiadi & Kolip (2020) that some examples of social problems that occur in Indonesia include poverty, crime, family disorganization, youth problems, wars, sexual disorders, population problems, gender problems, and social problems. violence. These problems also occur in Tasikmalaya, especially social problems regarding the problem of poverty.

Poverty is a condition or condition in which a person or group of people cannot fulfill their basic rights to get a dignified life (Muhammad, 2020). A person who lives in poverty and is categorized as poor is a family group or someone who has a low income level so that he cannot fulfill his basic life needs such as clothing, food, housing, education and health (Suryawati, 2005). The problem of poverty in Indonesia, especially in Tasikmalaya, is still quite high and is still happening today.

Place/Year	The number of poor people (million)	Percentage of poor people
Urban Area		
2019 March	9.99	6.69
2019 September	9.86	6.56
2020 March	11.16	7.38
Rural Area		
2019 March	15.15	12.85
2019 September	14.93	12.60
2020 March	15.26	12.82
Total		
2019 March	25.14	9.41
2019 September	24.79	9.22
2020 March	26.42	9.78

Figure 1. Data from the Central Bureau of Statistics for Indonesia's Poverty Rate as of March 2020

As shown in Figure 1. Data from the Central Bureau of Statistics, the total poverty rate in Indonesia as of March 2020 reached 26,42 million people, with a total percentage of 9,78% where this number has increased by 0,37% from March 2019.

Island	Percentage of Poor People			The Number of Poor People (thousand)		
	Urban	Rural	Total	Urban	Rural	Total
Sumatera	8.39	11.01	9.87	2154.41	3683.06	5837.47
Java	7.48	12.64	9.24	7493.53	6559.28	14 052.81
Bali and Nusa Tenggara	8.56	17.69	13.55	582.20	1450.63	2032.83
Kalimantan	4.35	7.13	5.81	345.36	624.28	969.64
Sulawesi	5.63	13.12	10.10	452.28	1554.50	2006.78
Maluku and Papua	5.25	28.15	20.34	134.18	1390.31	1524.49
Indonesia	7.38	12.82	9.78	11 161.96	15 262.06	26 424.02

Figure 2. Data from the Central Bureau of Statistics on the Percentage and Number of Poor People by Island, March 2020

Whereas in Figure 2, data on the number of poor people by island in Indonesia as of March 2020 states that in terms of population, most of the poor are on the island of Java, namely 14,05 million people and the lowest number of poor people are on the island of Kalimantan 0,97 million people.

District Area	Tasikmalaya	
Year	Percentage of Poor People	The Number of Poor People (million)
2020	10.34	181.5
2019	9.12	159.9
2018	9.85	172.4
2017	10.84	189.4
2016	11.24	195.6
2015	11.99	208.1

Figure 3. Data from the Central Bureau of Statistics on Percentage and Number of Poor People in Tasikmalaya Regency

Figure 3 shows that the number of poor people in Tasikmalaya Regency tends to decrease from 2015 to 2019. However, different conditions can be seen in 2020 where there is an increase in the percentage of poor people in Tasikmalaya to 10,34%. In addition, the picture shows data from BPS regarding the poor

population in Tasikmalaya Regency in the thousands. The movement of the number of poor people in Tasikmalaya from 2015 to 2019 shows a decrease in the number of poor people. However, in 2020, the number of poor people in Tasikmalaya will increase to 181.500 thousand people. This happened due to the Covid-19 pandemic in early 2020 which forced many employees to be laid off and MSME businesses could not run as they should.

The problem of poverty that occurs is closely related to the number of unemployed in Indonesia. The emergence of poverty in the midst of society due to unemployment (Tenrinippi, 2019). There is a high unemployment rate due to limitations in accommodating the number of prospective workers in the limited number of available jobs. The more unemployed, the higher the value of poverty that occurs. This happens because there is no income to meet daily needs. The Covid-19 pandemic is also one of the reasons for the high unemployment rate. Business activities that cannot run normally due to the lockdown and the existence of rules governing doing work from home (WFH) have made it difficult for some entrepreneurs and eventually laid off some of their employees.

One solution to the problem of reducing unemployment growth which results in an increase in the poverty rate is by entrepreneurship. Becoming an entrepreneur requires creativity from the community and individuals to think about making a product innovation or thinking about finding new opportunities in everyday life. Based on the situation above, the emergence of the presence of

entrepreneurs will certainly play a role and function as an influencer on economic progress and help improve the economic situation slowly in Indonesia.

The world has also recognized the role of entrepreneurship in entrepreneurship which can help the economy because it increases welfare and creates new jobs. This is based on Henrekson's (2005) assumption that entrepreneurship does create growth and job creation that accumulates at a fast rate. In addition, this was also reinforced by Firdaus (2014) who said that efforts to solve social problems of poverty using an entrepreneurial approach were one of the spectacular breakthrough ideas.

Therefore, one option for alleviating social problems that exist in society, especially poverty, is to do social entrepreneurship. Social entrepreneurship certainly has a large social impact and plays an important role in efforts to alleviate the problem of poverty (Firdaus, 2014). Wuryandani et al., (2018) stated that "social entrepreneurship is a combination of business and community empowerment". In this concept, it means that all the people involved are actively involved in being productive to improve the problem of economic poverty they are currently facing.

2. METHODS

This research was conducted in Tasikmalaya Regency from November 2020 to January 2022. The data obtained came from primary data and secondary data. Primary data was obtained from the results of interviews with closed questions

to MSME actors. The information needed includes MSME data as a whole. Secondary data was obtained by accessing information from related agencies such as the Tasikmalaya District Office of Cooperatives and SMEs, the Indonesian Central Bureau of Statistics, the Ministry of Cooperatives and SMEs, and other data sources relevant to the research topic originating from scientific journals, books and working papers.

This study uses a descriptive quantitative research method with a total sample of 1.222 MSME entrepreneurs in Tasikmalaya Regency. The sampling technique was carried out using a cluster random sampling technique so that a representative sample was obtained in each sub-district. There are stages in this study, namely 1) Descriptive analysis to get an overview of the number and condition of MSMEs in Tasikmalaya Regency, 2) Determination of interview question instruments to find out the conditions of MSMEs in more detail, 3) Determination of research samples based on the number of MSMEs in Tasikmalaya Regency, and 4) Processing and analysis of research results. Systematic research is outlined in the research framework depicted in Fig 4.
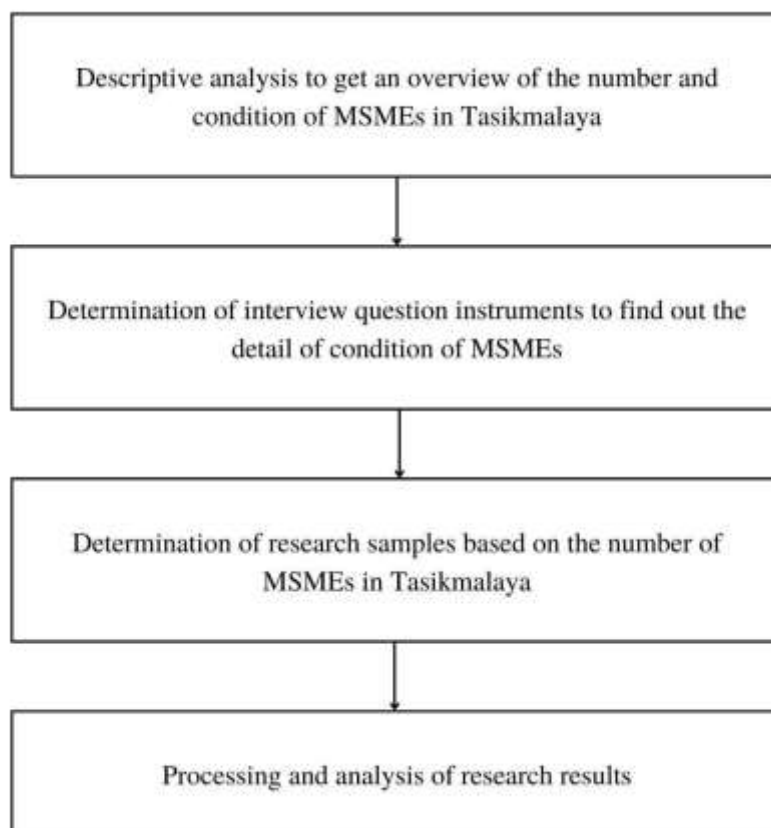

Figure 4. The research framework

3.RESULTS

The role of entrepreneurship in solving social problems in Tasikmalaya Regency itself can be seen from the many MSMEs available in Tasikmalaya. A survey of 1.222 MSME actors in Tasikmalaya Regency showed that some MSME actors had used workers in their businesses with a range of 1-99 workers as shown in Figure 5.
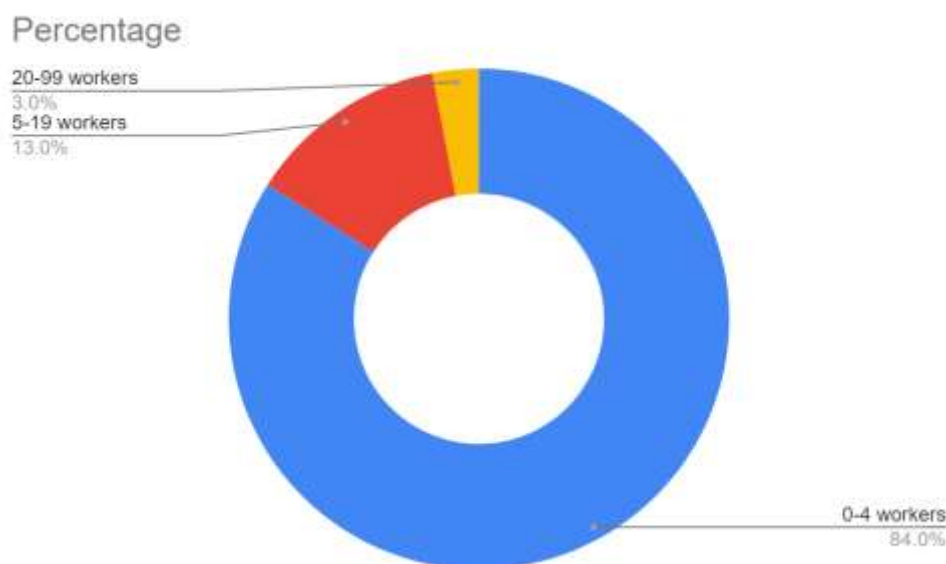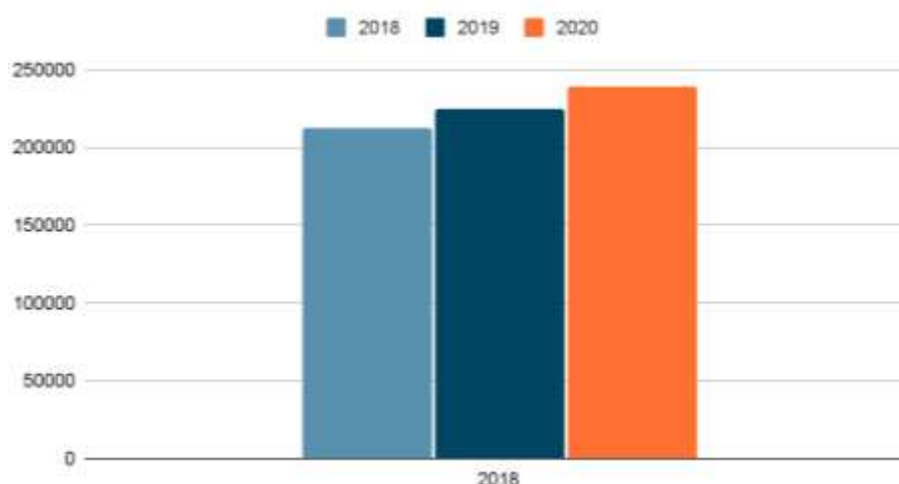
Figure 5. Number of workers in Tasikmalaya SMEs

Figure 5 shows that the majority of MSMEs in Tasikmalaya use a workforce ranging from 0-4 workers. This can be interpreted that business management is mostly carried out on a micro scale. The micro-scale of MSMEs does not really need a large-scale workforce, but with the large number of micro-SMEs in the range of 1,026 businesses it can be shown that there are at least 1.026 - 4.104 workers empowered by micro-scale MSMEs.

As many as 13% of MSMEs or as many as 158 MSMEs have a workforce ranging from 5 to 19 people. Therefore there are 790 - 3.002 empowered workers. The next number of workers is in the range of 20 - 99 people with a percentage of 3% or the equivalent of 36 MSMEs. This means that there are around 720 - 3564 workers. Finally, MSMEs empower workers with a workforce capacity of more than 100 people. There are 2 MSMEs that have a large workforce capacity, so there is a workforce range of 200 people. This data shows that there is a workforce of 2.736 - 10.870 people from the 1.222 MSMEs studied. This data shows that there is a comparison that 1 UMKM is able to empower 2 - 9 workers. Therefore, MSMEs have a role to empower the workforce and reduce unemployment from the surrounding environment.

This is in accordance with the role of MSMEs stated by Sulut (2018) that MSMEs help in accommodating labor and reducing unemployment. MSMEs in Tasikmalaya are able to accommodate 2 to 9 people who were previously unemployed. This can reduce unemployment because more and more people are empowered in MSMEs. In addition, the number of MSMEs is also increasing every year. The number of MSMEs in Tasikmalaya Regency continues to grow every year. This can be seen in Figure 6.

Source: opendatajabar (2022)

Figure 6. Number of MSMEs in Tasikmalaya Regency

Based on Figure 6, it can be seen that the number of MSMEs in Tasikmalaya Regency has increased every year. There were 239.114 MSMEs recorded in 2020 in Tasikmalaya Regency. The average increase in the number of MSMEs each year is 13.527 MSMEs. Based on these data, it can be estimated that every year the number of workers who can be empowered will increase, ranging from 27.054 - 121.743 workers in the MSME sector.

Micro, Small and Medium Enterprises (MSMEs) have an important role in the national economy because they have provided employment opportunities to the surrounding community from various types of business sectors. One of the roles of MSMEs is as a ilmistrategy to improve the economy for the community and assist in alleviating the number of existing unemployed (Ilmi, 2021). If you look at Figure 7, there has been an increase in the number of unemployed from 2019 - 2020 due to the emergence of Covid-19 which led to the decision to lay off some employees for several industries. However, with the existence of MSMEs that are able to absorb labor, it is hoped that the open unemployment rate will decrease in 2021.

District	Unemployment Rate (Percentage)		
	2018	2019	2020
Tasikmalaya	6.92	6.31	7.12

Source: Badan Pusat Statistik (2022)

Figure 7. The unemployment rate in Tasikmalaya Regency

The poverty factor is inseparable from the amount of wages received by MSME workers. This is related to the opinion of Maipita (2012) which states that an increase in the wage rate can increase the income of poor households so that the number of poor households can decrease even if slowly. Based on the

data in Figure 7, it can be seen that as much as 55% of MSMEs pay labor below IDR 1.000.000 per month or around 675 MSMEs. 41% provide wages in the range of 1 to 10 million rupiah per month or around 505 MSMEs. As many as 4% of MSMEs (42 MSMEs) provide wages of 10-25 million rupiah per month.
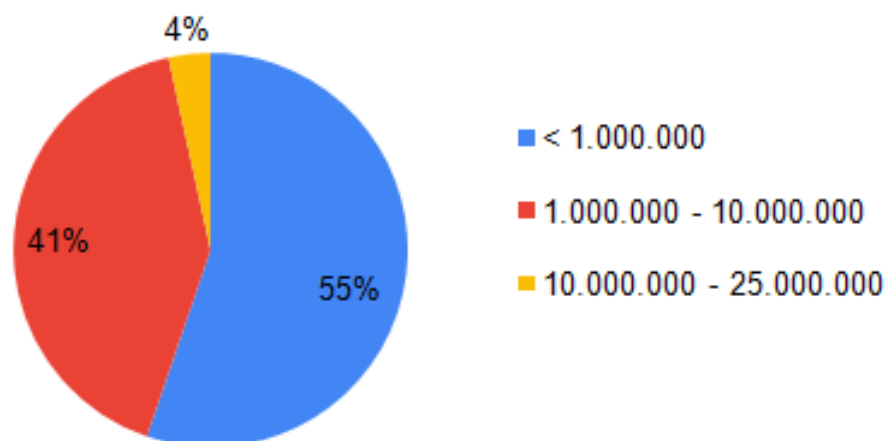

Figure 8. The Average Monthly Wage of All MSMEs in Tasikmalaya

Based on Figure 8, it can be estimated that the average income of MSME workers in Tasikmalaya Regency is IDR 3.150.572,55. The average income of MSME workers in Tasikmalaya Regency is greater than the average expenditure of people in West Java Province. BPS released data via the bps.go.id website that the average public expenditure in West Java Province for food and non-food in 2020 is IDR 977.655 per capita.

Based on these data, it can be seen that the average income of workers in MSMEs in Tasikmalaya Regency is still greater than monthly expenses for basic needs. While one of the criteria for the poor according to the Kementerian Social (2013) on the Decree of the Minister of Social Affairs No. 146 of 2013 are people who have a source of livelihood but do not have the ability to meet their basic needs. Therefore, MSMEs are able to make the poor have the ability to have a source of income and are no longer included in the poor category.

To alleviate the problem of poverty, of course there are many factors that influence it, one of which is the education factor. Education is one of the influential factors in alleviating the problem of poverty (Muhammad, 2020; Yanthi & Marhaeni, 2015). A person's high education will also increase the work productivity of each individual (Astrini & Purbadharmaja, 2013). If a person gains a lot of expertise that encourages his productive activities, the increase in productivity will also increase the income of each individual (Yanthi & Marhaeni, 2015). This is in accordance with the statement (Suharlina, 2020) "if the level of education is higher, it will improve the quality of workers so that workers can be accepted in the world of work and will improve people's welfare".
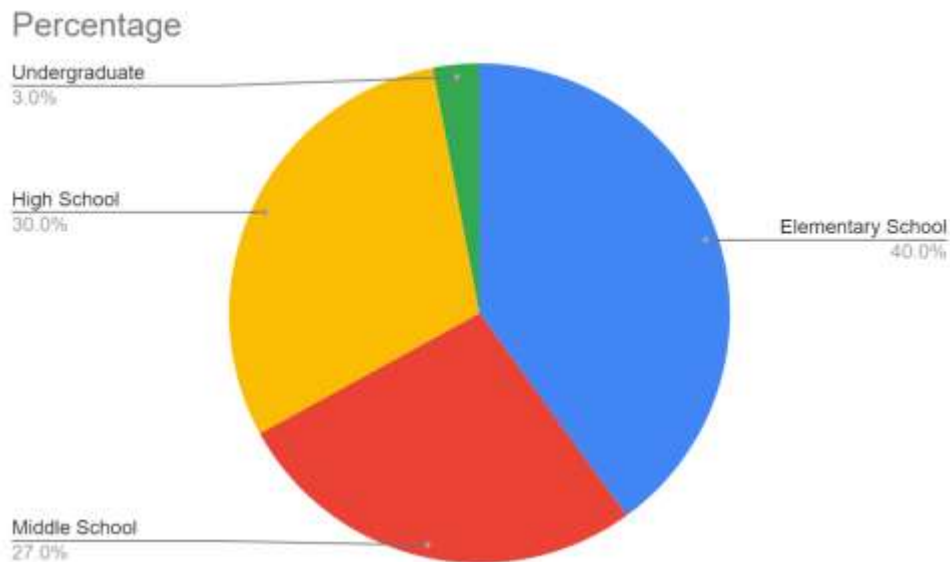
Figure 9. Average Latest Education Workforce in Tasikmalaya

Based on Figure 9, it can be seen that the average education for MSME workers in Tasikmalaya is dominated by SMA/equivalent graduates by 30%, followed by SD/equivalent graduates at 40%, SMP/equivalent graduates at 27%, then 3% graduates Bachelor/D4. The low level of education among MSME workers is one of the factors that makes the wages of the majority of MSME workers in Tasikmalaya Regency below one million rupiah. This is in line with the average wage that the higher the level of education, the greater the wage that the individual will receive (Julianto & Utari, 2019).

4. CONCLUSIONS

The results of the study show that the role of entrepreneurship in solving social problems in Tasikmalaya can be seen from the role of SMEs in reducing unemployment with a ratio of 1 UMKM empowering 2-9 workers. MSMEs in Tasikmalaya Regency are also able to reduce the number of poor people in Tasikmalaya Regency because the average amount of wages received by workers is above the monthly expenditure for basic needs.

With this research, the researchers hope that MSME actors will increase the capacity of MSMEs to increase employee capacity so that the number of unemployed decreases. In addition, the researchers also hope that the government will socialize the importance of the presence of social entrepreneurs who are able to empower more workers in Tasikmalaya Regency to reduce the number of unemployed and conduct training for MSME actors so that they can increase the capacity of their respective MSMEs.

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