

Social Entrepreneurship, Corporate Social Responsibility, And Empowerment Of Micro Small Medium Entreprise (Study In “Tangan Terampil” Joint Business Group)

Adi Ekopriyono, Susetyo Darmanto

Abstract: Corporate social responsibility (CSR) is still being a debated, especially related to the question "CSR is an obligation or commitment of the company or businessmen." In addition, an understanding of CSR is also often confused with charity or philanthropy. The main principles of CSR are continuity, sustainability and community empowerment. In accordance with these principles, the empowerment of micro, small and medium enterprises (MSMEs) through CSR implementation is a priority. Social Entrepreneurship (SE) is a factor driving the implementation of CSR and empowering MSMEs. The purpose of this study is to explore the efforts of "Tangan Terampil" Joint Business Group in conducting SE activities with the empowerment of MSMEs. Based on the steps taken by the "Tangan Terampil" conclusions and recommendations can be drawn as well as an appropriate model of the application of SE as a driver of CSR and empowerment of MSMEs.

Index Terms: Social Entrepreneurship, CSR, Empowerment Of Msmes.

1. INTRODUCTION

Corporate social responsibility (CSR) is an interesting subject of discussion, both among the general public, academics, businessmen, and government. Controversy related to CSR issues is an obligation or commitment of the company. Some businessmen are state that the company's goal is to seek profits, so apart from the social element. For them, it is enough for the company to comply with applicable regulations, for example paying taxes, there is no need to carry out social activities, including caring for the environment and surrounding communities. Milton Friedman (1970) argues, companies do not have social responsibility, because the company's obligation is to maximize profits to shareholders and obey the law. Meanwhile, some businessmen consider that the company's responsibility is not only looking for financial benefits, but also sensitivity and concern for the community and the environment. The community is the source of all resources owned and produced by the company. Some of them also think that caring for the community and the environment will enhance the company's reputation. Whitehouse (2006) and van Marrewijk (2003) are of the view that companies have broader responsibilities than just seeking profit and obeying the law. Corporate responsibility also includes work environment issues, relations with the surrounding community, and protection of the environment. There are non-business and non-economic elements that must be implemented by the company. Related to the nonbusiness and non-economic elements, the concept of Social Entrepreneurship (SE) appears, which also not only emphasizes the business element but also cares about social issues. This concept is in

line with one of the principles of CSR, namely community empowerment. Therefore, the SE can be applied as a motivating factor for the implementation of CSR and empowering micro, small, and medium enterprises (MSMEs). Implementing a SE that is effective and on target will foster a spirit of CSR and empower MSMEs. In this case, SE outreach and concrete examples of SE practices in promoting CSR and empowering MSMEs are needed. The "Tangan Terampil" Joint Business Group is a form of SE by empowering through various programs and activities, trying to develop the independence of MSMEs actors, in accordance with the principle of community empowerment in CSR.

1.1. Research Issues

This research is important for increasing concrete steps in empowering MSMEs actors. Based on the description in the background, the research problem can be formulated in the following question format:

1. How does the SE concept really become a motivating factor for CSR and empowering MSMEs?
2. How does the "Tangan Terampil" empower MSMEs through SE activities?
3. What are the obstacles faced by "Tangan Terampil" in SE activities and how to overcome them?
4. What is the right model, which can be used as a reference for implementing SE as a driver of CSR and empowering MSMEs actors?

1.2. Research purposes

This study aims to explore the steps of "Tangan Terampil" in conducting SE activities in the empowerment of MSMEs. From the study of the steps taken by the KUB "Tangan Terampil", conclusions and recommendations can be drawn as well as the model for implementing SE as a driver of CSR and empowering MSMEs actors.

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2. LITERATURE REVIEW

2.1. Corporate Social Responsibility (CSR)

The initial definition of social responsibility explicitly according to Solihin (2009) was only put forward by Howard R. Bowen (1999) through his work entitled *Social Responsibilities of the Businessmen*. Bowen gave the formulation of social responsibility as follows "it refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society". Bowen's definition has provided an initial basis for the recognition of the obligations of businessmen to set business goals that are in line with the goals and values of the community. The notion of CSR is perfected The World Business Council for Sustainable Development as a commitment of the business community to continuously act ethically, operate legally, and contribute to economic improvement, together with improving the quality of life of employees and their families, as well as improving the quality of the local community and society at large (Wibisono, 2007; Ahmad & Ahmad, 2018). Maignan & Ferrel (2004) defined CSR as "A business acts in socially responsible manner when its decision and actions account for and balance diverse stakeholder interest". This definition emphasizes the need to pay close attention to the interests of various diverse stakeholders in every decision and action taken by businessmen through socially responsible behavior. Whereas Elkington (2013) argues, companies that show social responsibility will pay attention to improving company quality (profit); community, especially the surrounding community (people); and the environment (planet); called Triple Bottom Lines. In this understanding CSR as an idea that companies are no longer faced with responsibilities that stand on a single bottom line, namely the value of the company (corporate value) that is reflected in financial conditions (financial), but also social and environmental. An activity is called CSR, according to Rahman (2009), if the activity is continuous, sustainable, and empower the community. Continuously and sustainability are vital elements of CSR. A charity activity based on a trend or incidental, is not CSR. CSR perspectives are characterized by long-term perspectives not instances, happenings or booms. Corporate social responsibility is a mechanism of activities that are planned, systematic, and can be evaluated. Community empowerment is a factor that distinguishes CSR from charity or philanthropic activities. Empowering the community is to make the community independent. One indication of the success of CSR is that there is more independence in the community, compared to before there was CSR. Ideally, CSR must emerge from the awareness and sincere encouragement from within (internal driven) of the company, because they realize and believe that CSR is an investment for business growth and sustainability. CSR is no longer seen as a cost center, but as a profit center in the future (Wibisono, 2007). It is not appropriate if CSR is carried out because of compulsion or external factors (for example community demands, environmental pressure, or looking for a reputation). CSR practices are also not elegant if only as an effort to fulfill obligations to the regulations, laws, and rules. Therefore, the laws and regulations should be intended to encourage the emergence of sincere awareness

of business actors to care for the environment. Such care must be based on the principles of true CSR, namely continuity, sustainability and community empowerment. Based on the description, CSR is the need of business actors, in order to continue to exist and develop. Understanding that CSR is a need is what needs to be socialized to businesses. Whether or not there are regulations that require it, businesses should have awareness to implement CSR. That awareness does not need to be compelled by regulations or laws, but rather arises from business actors themselves. The basis of CSR philosophy is sincerity, not coercion due to various external factors, including the law. Maybe laws and regulations are needed, but to motivate the actors sincerely and confidently that CSR is a necessity. There are three important considerations the company feels needs to develop CSR practices in line with its business operations (Daniri 2008), namely: (1) The company is part of the community and therefore it is natural to pay attention to the interests of the community, (2) the business community and the community should have a close relationship mutual benefit (symbiotic mutualism), (3) CSR activities are one way to reduce or avoid social conflict with the community.

2.2. Social Entrepreneurship

Hadad and Gauca (2014) defines social entrepreneurship as the social entrepreneur with a social mission that recognizes a social problem and addresses it by means of social innovation and in terms of creating social impact and social value by benefiting both business (sustainability) and social (scalability). Social Entrepreneurship is an emerging research field, the structural dichotomy between social and entrepreneurship, is itself a complicating the both dividing and fertilizing (Vyas, 2017). Alagappan and Vaithilingam (2015) suggested social entrepreneurship represents a new paradigm of social value creation and reflects a dynamic revolution in the social sector. The SE concept cannot be separated from Muhammad Yunus, winner of the 2006 Nobel Peace Prize for his efforts to overcome poverty in Bangladesh, his birthplace. Yunus founded the Grameen Bank, with the primary goal of channeling microcredit to the poor. The program has helped more than 47,000 beggars, who were then able to become independent entrepreneurs. There are six important things from the Muhammad Yunus program, namely: Focus on the underserved community, have big dreams, collaboration is the key to growth, diversification, continuing to help others, ready to be criticized. The story of Muhammad Yunus with the Grameen Bank inspired the development of the SE. Based on several references, including Austin and Skillern (2006), several challenges for business actors in the SE can be stated, namely:

1. Leadership, with three dimensions: Vision (leaders must have a vision, that the social dimension is central and an integral part of business life), Legitimacy (leader must create an appropriate internal environment and meet the expectations of the SE process), Empowerment (leaders must provide opportunities for leaders and other agents of change in the company to be able to build and decide on a process).
2. Strategy, with three elements: Alignment (social dimension and business dimension in company strategy must be in

line with each other), Leveraging core competencies (focus on finding creative efforts in mobilizing and disseminating key business assets, components of business success, so as to create multiple social and business value relationships to create greater economic and social values), Partnering (partnering and creating alliances with other business entities will further strengthen the SE process).

3. Structures: structures that are created must follow the chosen strategy, so SE must create innovative organizational forms in order to advance a new social dimension.
4. System: the system must follow the structure, so that SE can form a set of systems to enhance learning in decision making process about the social and economic dimensions, enable effective execution, and a process of effective communication of economic and social values.

CSR in relation to social entrepreneurship can be understood as follows:

- As a resource system, both companies and stakeholders utilize funding sourced from CSR to overcome social problems.
- As a resource system, both companies and stakeholders utilize funding sourced from CSR to overcome social problems
- As a CSR strategy, business operators utilize creative and innovative ways in community empowerment activities in the context of solving social problems.
- As a principle / spirit in carrying out CSR activities, either done alone or in partnership with other stakeholders.
- As a medium for sharing among various stakeholders in overcoming social problems.

It is time for the businessmen to aim at CSE by integrating CSR and CSE elements. Social entrepreneurship encourages CSR activities to truly not only seek profit, but also its responsibility to the community and society. Social entrepreneurship can be applied as a driver in the implementation of CSR. The core of SE is social activities as well as business and economic elements in it. This concept provides an opportunity for businesses to take part in solving social problems, without denying the responsibility of seeking financial gain.

2.3. Implementation by the Tangan Terampil Joint Business Group

Based on this description, this paper will review the role of SE as a factor driving CSR implementation and empowering micro, small and medium enterprises (MSMEs) as formal objects. While the material object (empirical study) is the "Tangan Terampil" Joint Business Group which has carried out SE activities. The selection of formal objects is based on the following considerations: (1) controversy regarding CSR needs to be resolved, so that its application is truly on target and appropriate (2) empowerment of MSMEs actors still needs to be done, in order to have high competitiveness, so that they can compete in the current era of increasingly fierce business competition, as well as contributing more to

economic development, expansion of employment, handling the problem of unemployment and poverty (3) social entrepreneurship is an alternative to solve problems related to CSR and empowering MSMEs. The selection of material objects is based on the following considerations: (1) The writer is directly involved in the "Tangan Terampil" activities as a management support professional (2) "Tangan Terampil" is active in efforts to empower MSMEs through various activities with SE concepts (3) "Tangan Terampil" have received recognition from various parties, as evidenced by several awards achieved.

3. METHOD

This research uses a qualitative method with a phenomenological approach. Like qualitative research in general, this research is subjective-local. The author does not pretend that the research results are objective, as is commonly known in quantitative research. This research is also local in nature, so researchers do not pretend that the results of this study are universal and apply elsewhere. The researcher assumes that the results of this study only apply to the object under study, namely the "Tangan Terampil" Joint Business Group. This study is a preliminary study to provide a general description of the SE concept in relation to CSR, MSMEs empowerment, and ideal SE practices.

3.1. Research design

The qualitative method with a phenomenological approach, starts from thoughts on the theoretical dimension, which is used as a guide for field research. After that, empirical findings are used to formulate new theoretical thinking. The reasoning framework can be described as follows:

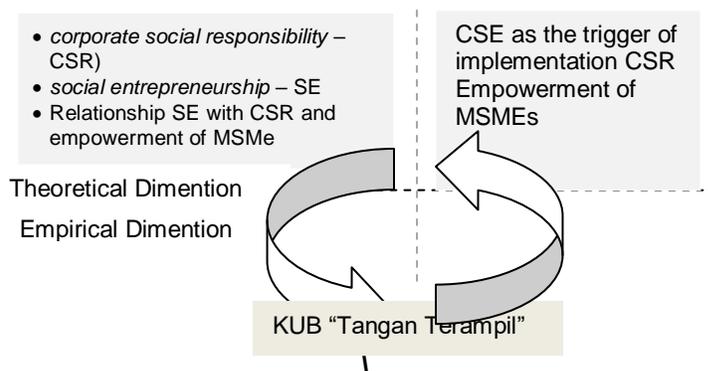


Figure 1. Research Framework

3.2. Data collection

The data in this study were collected through an observation of the "Tangan Terampil" activities since it was operational in 2013 and became a legal entity in 2015. In addition, data was also collected from direct communication and interviews with "Tangan Terampil" organizers and MSMEs. which is a joint business group fostered.

4. RESULT AND DISCUSSION

4.1. Tangan Terampil Community

Starting from the profession of the founders who often deal with training activities for MSMEs, they then took the initiative

to form a legal entity community that concentrated on developing skills, both hard skills and soft skills with the ultimate goal of being able to become entrepreneurs. Consisting of Natalia Sari Pujiastuti, Titi Agustina and Aning Karindra, the "Tangan Terampil" was born with an association legal entity with a copy of notarial deed No. 01 dated October 3, 2015 made by a notary Siti Aminah, SH, MKN, authorized by the Decree of the Ministry of Law and Human Rights. RI No. AHU-0007654.AH. 01.07. 2015. The initial idea of "Tangan Terampil" joint business group emerged from the thoughts of Natalia Sari Pujiastuti. Graduated from Diponegoro University Master of Communication Science, she felt concerned about the condition of MSMEs, especially those managed by women. She linked these conditions to CSR practices that were not yet maximal and were not in accordance with true CSR principles, especially community empowerment. According to her, many CSR are only charity or philanthropic, while, they are not sustainable. In line with her thesis on CSR, Natalia Sari tried to build a joint business group oriented to empowering MSMEs as one of the practices of implementing CSR principles of community empowerment. "In this era, business must care about community empowerment. It does not have to be done only by large companies, but also business groups such as the Tangan Terampil," she said. From that idea, she invited her friends who had the same vision and mission to form a joint business group. "It's not easy to invite friends to form a joint business group which is oriented towards social entrepreneurship, because we have to balance business and social elements. This is the form of CSR that we need to develop," she said. The statement was supported by other management. Titi Agustina, one of the administrators also said that an ethos is needed to help MSME practitioners through the "Tangan Terampil." Without the enthusiasm and commitment to empower MSMEs, the concept of social entrepreneurship is difficult to develop properly. According to them, the obstacle to empowering MSMEs is the mindset of most MSMEs who tend to wait for the help of others, lacking initiative. So, one of the lightest tasks is to change the mindset into a mindset that oriented to independence. Through various programs and activities, "Tangan Terampil" try to develop the independence of MSMEs, in accordance with the principles of community empowerment in CSR. Realizing that the challenges faced are not easy and it is not possible to work alone, the "Tangan Terampil" established networking with various parties, from government elements, business actors, business associations, and other stakeholders. Through this network, "Tangan Terampil" conducts a variety of MSME empowerment activities, including training, mentoring, advocacy.

4.2. Target and purpose

The goal of the "Tangan Terampil" is the community, especially women, who have the will and ability to develop and are determined to help alleviate the economic burden on the family and improve living standards through skills.

The purpose of "Tangan Terampil" are:

1. Making the community as independent and high-value MSMEs.

2. Improving the ability of the community in the field of crafts and food crafts in terms of soft skills or hard skills.
3. Market the MSME products that have commercial potential by lifting superior commodities of local products.

4.3. Logo and Slogan

The meaning of "Tangan Terampil" logo:



Figure 2. Logo

- Two hands look up: show the initial intention of the formation of the "Tangan Terampil" joint business group which is a combination of professionals with each ability to develop the potential of MSMEs.
- Upward tape: "Tangan Terampil" is expected to produce MSMEs that are successful, independent, and able to build their identity.
- Meaning of colors: Blue (strength), orange (optimism), red (spirit), green (growing), and bright blue (trust); are the colors that are used and are the basis of ways of thinking and acting.

Slogan: We develop people through Entrepreneurship is a form of enthusiasm for community empowerment through entrepreneurial activities. Empowerment in the form of providing training, assistance including jointly developing themselves to be able to become independent entrepreneurs and have high competitiveness. Through entrepreneurship, it is expected to be able to elevate existing local potential in order to produce a handicraft product that is characterized by Indonesia. This condition is certainly expected to contribute to the welfare of the community in order to raise the degree of the local economy.

4.4. Vision of the Institution

Making the "Tangan Terampil" as a forum of intelligence, enlightenment and community empowerment, especially women in the city of Semarang for the realization of a creative, advanced, and independent community.

4.5. Mission of the Institution

1. Developing the potential of MSMEs: quality and quantity in terms of products created in the food or non-food sector in the Semarang City and surrounding areas.
2. Focus on MSMEs, especially women who are socio-economic vulnerable in the City of Semarang and surrounding areas, towards professionalism and creativity, in order to support economic growth and self-actualization.
3. Fostering, advancing, and developing members into professional, strong, resilient entrepreneurs in the

field of handicrafts in order to elevate superior commodities of local products.

4. Participating in effective and effective efforts to preserve nature through using of waste to be processed into valuable material.
5. Participate in and develop the potential competitiveness of local products through competitive marketing strategies.
6. Making joint business group the forerunner to the Center of Handicraft Industry in the City of Semarang, as well as a place of transaction or marketing to improve the living standards of members and the welfare of the wider community in general.

4.6. Programs and Activities:

1. Hand Skills Training

- a. Provide hands-on skills training that is easy to do and has economic value, including training in making accessories, beads, ribbon embroidery, batik, etc.
- b. The purpose of this training is to introduce the community to be able to think creatively which ultimately can improve skills that have a sale value. In addition, this activity also aims to introduce business potential to the general public.
- c. Target audience: general public who want to learn hand skills in addition to knowledge.

2. Entrepreneurship Training

- a. Identify and explore the potential of local products in Semarang City and surrounding areas.
- b. Conducting entrepreneurship training to foster MSME entrepreneurs, especially for women, as an effort to participate in helping the family economy.
- c. Conduct education and product quality standardization facilities.
- d. Provide training that serves to improve the skills for MSMEs, among others; MSME management training, financial training, packaging, online marketing, etc.

3. Assistance

- a. Monitoring and coaching for MSMEs to be able to become independent and successful MSMEs.
- b. Conduct business meetings in the form of comparative studies of successful business actors.
- c. Become a partner for MSMEs related to marketing.

4. Partnership

- a. As a partner in the field of assisting MSMEs for government or non-government institutions.
- b. Increase sales potential through exhibition / modern retail / online shop / export opportunities.
- c. Publicizing the products or profiles of SMEs through social media portals or mass media in order to raise the potential of local Semarang products in the national arena.

5. Capital: Helping MSMEs in obtaining capital.

6. Information Center: As an information center related to business opportunities for the members.

4.7. Work partners

Partners of the "Tangan Terampil" include: Smesco Kementerian Koperasi, Semarang City women organizations, Semarang City Cooperative and MSME Office, Semarang

City Trade Industry Office, Central Java Development Planning Board, the Faculty of Economics and Business of 17 Agustus 1945 University (Untag) Semarang, the Center for Study of Corporate Governance and Business Development Untag Semarang, the Faculty of Food Technology Soegijapranata University Semarang.

4.8. Membership Criteria and Requirements

The "Tangan Terampil" members are the general public who have been registered and are actively involved in joint business group operational activities in the form of product deposits, production, marketing or participation. Types of Membership consist of participatory members and productive members. Participating Members, are the general public who have registered and participated in activities organized by bringing their respective products without being included in the production process carried out by Tangan Terampil. While Productive Members, are the general public who are elected to be actively involved in the production process both in the form of product deposits or production processes.

5. MODEL PROPOSES

The right model, which can be applied by a SE-oriented Joint Business Group as a driving factor for CSR and MSME empowerment can be described as follows:

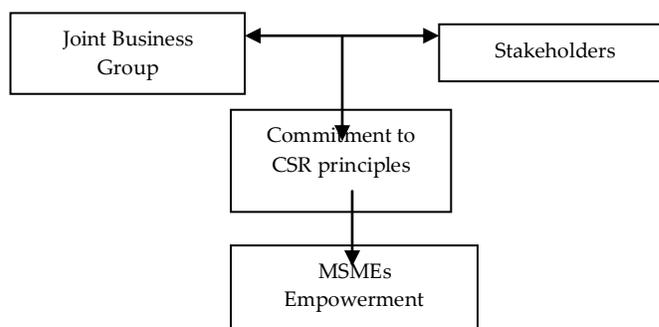


Figure 3. Model purposes

Achievements and Awards:

1. The "Tangan Terampil" was chosen as the MSME Digital Village of PT Telkom and Cooperative Service of Semarang City Dinkop (2015)
2. "500 MSMEs WOW" Shortlist of Ministry of Cooperatives and MSMEs (2015)
3. The 2nd Champion of Local Hero in the Pertamina Berdikari Awards (2016)
4. The winner of Kartini Award (2017)
5. The winner of the Semarang Ormas Award on Economy and MSME Categories (2017)
6. Top Ten SME Challenge Smesco (2017).
7. The "20 DBS Social Enterprise Bootcamp" by Action Coach - University of Indonesia (2018).

6. CONCLUSION

The SE concept can be applied as a motivating factor for CSR and MSME empowerment. The concept must be based on the enthusiasm and commitment of the SE actors that business does not only rely on financial gain alone, but also

community empowerment. The "Tangan Terampil" applies the SE concept by building networks with stakeholders who are committed to the empowerment of MSMEs. Activities undertaken include training in entrepreneurial skills, assistance, advocacy. Skills are carried out for example through women organizations, study groups, associations. Assistance and advocacy is carried out for SMEs who are members of the "Tangan Terampil." The main obstacle encountered in empowering MSMEs is the mindset that is less unisiative and tends to wait for the helping hand of other parties. Therefore, "Tangan Terampil" focus on efforts to change the mindset, so that the MSMEs are more empowered, independent, full of initiative to move forward.

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