

Conference Paper

Analysing Social Entrepreneurship Innovation Through Sustainability Compass

Dien Yudithadewi^{1*}, Sigit Tri Hartanto², Bonifasius Santiko Parikesit², Rio Zakarias Widyandaru²

¹Faculty of Communication, LSPR Institute of Communication & Business, DKI Jakarta 10220, Indonesia

²Faculty of Economics and Business, Universitas Trisakti, DKI Jakarta 11440, Indonesia

*Corresponding author:

E-mail:

yudithasuwarno@gmail.com

ABSTRACT

This study aims to examine how social entrepreneurship that supports women's empowerment, can answer social issues, as well as fulfilling Sustainable Development Goals (SDGs) no.5; gender equality and empower all women and girls. The social enterprise is Pagar Dewa Waste Bank, which is operated under the auspices of the Village-Owned Enterprise in Pagar Dewa Village, Lubai Ulu Sub District, Muara Enim District, South Sumatra Province. The research design used a qualitative method, and the data collection process was carried out through in-depth interviews with relevant stakeholders. The respondents include beneficiaries, government, communities, and the company itself. Researchers also searched for secondary data through observations and literature reviews from digital media, books, and journals to enrich the study. Field findings were analyzed by referring to the four dimensions of sustainability, which is initiated by Herman Daly and further developed by Alan Atkisson, namely the Sustainability Compass. It elaborates sustainability through compass terms: N (North) for Nature, E (East) for Economy, W (West) for Wellbeing, and S (South) for Society. The result of the study indicates that innovation is an important element for the success of social entrepreneurship. In this case, innovation can change people's behavior in a positive direction. The program is successfully capable to answer social issues regarding Sustainability Compass (nature, economy, society, and wellbeing), as well as fulfilling SDGs no.5 (gender equality and empowering all women and girls). The Sustainability Compass is effective to review the impact of the program comprehensively.

Keywords: SDGs, innovation, women empowerment

Introduction

Referring to Martin and Osberg (2007), there are two dimensions of social entrepreneurship: (1) social initiative; the provision of social services, and (2) social activism; which aims to create a new social balance through indirect action, for a better future. It is further stated that social entrepreneurs are key players in the process of social entrepreneurship and the creation of social enterprises. Like conventional entrepreneurs, social entrepreneurs are believed to have the ability to identify opportunities, and commitments and drive to pursue them, as well as the determination to take inherent risks under uncertainty.

It is estimated that in 2030 the number of poor people in urban Indonesia will exceed the number of rural residents in absolute terms, due to the flow of urbanization. Therefore, the development of social innovation is one of the important programs in responding to future development challenges that are full of infrastructure gaps, including substantial waste management system facilities and infrastructure (World Bank, 2019).

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PT Perusahaan Gas Negara Tbk intends to provide opportunities for women to participate in women's empowerment programs since according to Datta and Gailey (2012), women are often marginalized due to poverty. This is also an endeavor to support Sustainable Development Goals (SDGs) no.5; gender equality and empower all women and girls. One program that has succeeded in building social activism and fostering social entrepreneurs is the Pagar Dewa Waste Bank, which is located in Pagar Dewa Village, Lubai Ulu Sub District, Muara Enim District, South Sumatra Province.

Women are the driving force in this social enterprise and are also positioned as the target market. According to Sakina and Siti (2017), patriarchal cultural puts structure and control in male domination, and positions women in domestic affairs, only to take care of household affairs. Thus, mothers are the party who plays the main role in household affairs and mostly deals with household waste.

How social enterprises are managed, how their resource base is formed, and how the revenue logic is designed, are all determinants of the social enterprise business model. While business model innovation is defined as a necessary process that enables social enterprises to configure a value-creation architecture, as well as overcome internal and external demands and tensions (Tykkyläinen & Ritala, 2020).

Pagar Dewa Waste Bank as a social enterprise can configure the value creation architecture so that it generates not only new values in the community but also changes behavior. Even with its limitations, this social enterprise manages resources well and successfully overcomes external demands and internal constraints. Being the first in the area, Pagar Dewa Waste Bank customers now also include residents of neighboring villages. Starting from family, friends, and neighbors, the bank has had 234 customers in three years (including the pandemic era), with a total amount of solid waste collected (until March 2022): of 32,721 kg.

This paper aims to identify and describe the innovations made by the Pagar Dewa Waste Bank in filling gaps and creating social value for the public interest.

Material and Methods

The main reference for this paper is a case study of the Waroeng Hijau social enterprise, Ancol, which is also driven by women's empowerment (Yudithadewi et al., 2020). In this study, social enterprise was examined using the Sustainability Compass. The results of the research state that innovative management and funding models, equality, and cooperation, are elements of empowerment that support the performance of social entrepreneurship.

The scope/limitation of this research:

1. The research was conducted in July 2022
2. The research was conducted during the program's development phase

This study uses a qualitative method, where the data collection process is carried out through in-depth interviews with relevant stakeholders, consisting of (1) management; two people, (2) customers; ten people, (3) the Head of Pagar Dewa Village (4) the Community Development team from the company; two people, and (5) two local facilitators.

The interview process was held in July 2022 at the Pagar Dewa Waste Bank office/warehouse, residents' houses, the company's operating area (Pagar Dewa Village), and the Pagar Dewa Village Head's office. During the interview process, the researcher recorded and wrote a transcript of it. Due to the relatively small number of respondents, during the interview process, the researcher made observations and collected secondary data regarding the Pagar Dewa Waste Bank.

The data was analyzed by utilizing four dimensions of sustainability which were initiated by Herman Daly and further developed by Atkisson (2017), namely the Sustainability Compass, which consists of (1) North and the N represents Nature. This dimension contains matters related to the efforts and processes carried out by the Pagar Dewa Waste Bank to address environmental issues, (2) East which the E represents Economy. This dimension contains the creation of economic impacts on customers (in monetary form) as a result of the Pagar Dewa Waste Bank

existence, (3) West which the W represents Wellbeing. This dimension contains matters related to the level of pleasure felt by each individual in connection with the existence of Pagar Dewa Waste Bank, (4) South which the S represents Society. This dimension contains matters related to the social impacts that arise from the existence of the Pagar Dewa Waste Bank, particularly related to social ties (cohesion).

Results and Discussion

The Pagar Dewa Waste Bank offers an interesting idea about how women's empowerment through corporate intervention can contribute to building awareness, and changing people's behavior. Before the presence of the waste bank in the village, the community considered waste only as a burden, useless objects that were left scattered everywhere, including in rivers.

The Pagar Dewa Waste Bank was established in January 2019, then started activities by providing education regarding the negative impact of garbage pollution. Then continued with socialization with their mothers in the common places where they gather. This is to Leadbeater's opinion in Lee (2015), that social entrepreneurship is established to identify underutilized resources, and find new and strategic ways to empower them. As well as Mair's statement in Lee (2015) that social entrepreneurship has a mission to change society.

As a social entrepreneur, Pagar Dewa Waste Bank faces several challenges related to social value creation and business operations. After socializations were held, the community was not immediately moved to take part and become customers. Awareness of the negative impact of garbage pollution is still very minimal. Meanwhile, in terms of business operations, the Pagar Dewa Waste Bank runs with an incomplete organizational structure, because it only consists of a chairwoman and a cashier.

However, Pagar Dewa Waste Bank puts obstacles and limitations into social innovations. This is conducted by identifying and exploring risks, with capabilities and opportunities that can be developed. As described by Perrini and Vurro in Wirtz and Volkmann (2015), which puts the work ethic of entrepreneurs to achieve certain targets in carrying out social innovations.

Starting from five customers who are relatives and neighbors of the bank's management, slowly the customers began to grow to 14 people. Mair and Martí (2006) state that social entrepreneurship is a process or behavior of the activity itself. To accelerate growth, Pagar Dewa Waste Bank with the support of PT Perusahaan Gas Negara Tbk, held a promotional program, where customers with the most savings will get one television unit. As a result, customers increased to 70 people in 2019, and in mid-2022 there were 234 customers.

Along with that, there is a change in society's behavior. At first, people were reluctant to deposit solid waste because they felt ashamed (it's lowering their self-esteem). However, when the promotion was held, people competed to collect solid waste, even from public areas such as roadsides and fields. When going out of the house, they will bring a container, and will automatically pick up the garbage they find along the road, as well as at their destination.

According to Asfiah et al. (2018) who conclude the opinion of several experts social entrepreneurship has a responsive character and empathy for social problems, and uses entrepreneurial abilities to make social change, particularly welfare, education, and health. The promotion campaign which was held by the Pagar Dewa Waste Bank reflects the character of social enterprises that are responsive in seeing problems.

Aside from being able to change society's behavior in terms of managing household waste, Pagar Dewa Waste Bank has also changed its financial behavior. Since the presence of Pagar Dewa Waste Bank, people have preferred to save waste, rather than sell it to a "door-to-door" junkman, due to savings system implementation. In Pagar Dewa Waste Bank, every solid waste deposited is recorded in customers' savings books. Then it will be cashed out before Eid (a big festive season for Moslems – the majority of Indonesians). Meanwhile, the junkman pays cash, when the solid waste is handed over. As a result, the money received was immediately used for various purposes. Therefore, people started to plan and allocate budgets for certain purposes.

The Pagar Dewa Waste Bank's innovation did not stop there. In collaboration with PT Perusahaan Gas Negara Tbk, its management conducted a comparative study of an experienced waste bank in another sub-district and learned a lot from there. One of the skills is to process solid waste into handicrafts, as well as other items that can be used for household appliances, such as plant pots.

The progress of Pagar Dewa Waste Bank can also be seen physically. In the initial period of establishment, the bank used its management's house as a place of activity. Currently, Pagar Dewa Waste Bank has occupied a building that is used as an "office" to welcome customers who visit, which is equipped with a storage warehouse. However, the pick-up service still exists. The customers could ask the waste bank to come to their house, to weigh and record their solid waste, then transport it to the warehouse using a BUMDES pickup vehicle.

In terms of governance administration, Pagar Dewa Waste Bank has begun to fix the organizational structure and is in the stage of waiting for the legality of the new management. The organization structure consists of the chairwoman, cashier, secretary, and several other sections: operations, sorting, checking, pick-up, and skills/crafting.

Besides all these achievements, certainly, there are still other challenges. Solid waste that is not accepted by the waste bank or junkman is dumped by people on empty land, on the side of the road. This is to the statement of the World Bank (2019), that solid waste that is not collected is often burned in open spaces, informally buried on public land, and even dumped in roads, canals, rivers, and parks. Burning solid waste has the potential to become a source of pollution, which in turn damages health and reduces the attractiveness of the city.

Furthermore, the World Bank (2019) describes the impact of unmanaged waste: the population will be burdened with expenses related to health care and productivity losses. Even when the uncollected waste enters the drainage system and sewers, this condition can cause blockages that cause a flood. To avoid floods, dredging waste from drainage channels will also be a significant expense if waste management is handled too late.

Then the final destination of most of the waste generated by cities, located in coastal areas is the ocean. 95% of plastic waste is finally destroyed into a form that cannot be visually recognized and has the potential to become "food" for marine life which then becomes another problem for human health when it is processed into food. This provides a risk to the entire ecosystem (World Bank, 2019).

In Pagar Dewa, the village government has not taken any steps in waste management, so the solid waste on the side of the road is left to pile up. Certainly, this condition is not pleasing, as well as damaging to the environment. Another thing that needs to be developed related to waste, is educating customers to clean up the solid waste they want to deposit so that they could get a better selling price. Likewise, the waste bank is not burdened with solid waste clean-up, which is currently being done by helpers. Based on the explanation above, the following is an analysis of the four dimensions of sustainability, through Sustainability Compass (Atkisson, 2017):

1. N (North): Nature

The points which represent this dimension are: (1) the reduction of scattered waste in various corners of Pagar Dewa Village; (2) increased knowledge regarding awareness of the sustainable environment (capable of sorting household waste); and (3) behavior changes towards the environment; society becomes more concerned regarding the environment (when they saw scattered solid waste, it would be collected to be deposited in the waste bank).

In the long term, this awareness will reduce the risks that the World Bank is concerned about (2019), such as floods and ingestion of waste by marine life (or rivers, in the case of Pagar Dewa Village). Thus, it also means reducing the risk of high costs for handling sanitation if they have to dredge rivers to prevent flood, as well as health care due to polluted rivers.

2. E (East): Economy

The points which represent this dimension are: 1) customers get additional income from solid wastes that were previously considered to have no economic value; (2) changes in people's mindset/behavior in economic terms, increased awareness regarding financial planning and budgeting (saving) to achieve certain goals.

This kind of positive influence is called social value spillover (Santos, 2012). He explained that social enterprises are organizations that generate income through commercial activities while promoting their social mission, and aim to create an intentional spillover of social value for specific stakeholders, as well as the wider community and society.

3. W (West): Wellbeing

The points which represent this dimension are people's enthusiasm in responding to the Pagar Dewa Waste Bank program, which then changes behavior. It's caused by economic factors (extra income), better awareness regarding the future environment, and the ability to be a solution to society's problems.

4. S (South): Society

The points which represent this dimension are: (1) a better understanding of the importance of society's awareness in protecting the environment through waste management; and (2) finding more productive ways to harness idle moments.

Awareness to protect the environment and use idle time more positively can also be classified as social value spillovers.

Conclusion

PT Perusahaan Gas Negara Tbk intends to provide opportunities for women to participate in women's empowerment programs since according to Datta and Gailey (2012), women are often marginalized due to poverty. This is also an endeavor to support Sustainable Development Goals (SDGs) no.5; gender equality and empower all women and girls. A program that has succeeded in building social activism and fostering social entrepreneurs is the Pagar Dewa Waste Bank, which is located in Pagar Dewa Village, Lubai Ulu Sub District, Muara Enim District, South Sumatra Province.

The Pagar Dewa Waste Bank offers an interesting idea about how women's empowerment through corporate intervention can contribute to building awareness and changing people's behavior. Before the presence of the waste bank in this village, the community considered waste only as a burden, useless objects that were left scattered everywhere, including in rivers.

By identifying and exploring risks with capabilities and opportunities that can be developed, as described by Perrini and Vurro in Wirtz and Volkmann (2015), the Pagar Dewa Waste Bank positions obstacles and limitations into social innovations.

The result of the study indicates that innovation is an important element for the success of social entrepreneurship. In this case, innovation can change people's behavior in a positive direction. The program is successfully capable to answer social issues regarding Sustainability Compass (nature, economy, wellbeing, and society), as well as fulfilling SDGs no.5 (gender equality and empowering all women and girls). The Sustainability Compass is effective to review the impact of the program comprehensively. Next research could be held to review the progress of the Pagar Dewa Waste Bank, and how they manage to keep improving and influencing people.

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