

THE ENTREPRENEURIAL CAPABILITIES FOR SUSTAINABILITY OF COMMUNITY EMPOWERMENT PROGRAMS

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Abstract: An important aspect of implementing community empowerment programs is that the program is ongoing and sustainable. Entrepreneurial activity is one of the important programs in empowering the community. Therefore, the determining element of the optimal running and continuation of a community empowerment program is the entrepreneurial capabilities of the beneficiaries. Program facilitation generally has limitations in implementing community empowerment, both in terms of budget and program intensity. Therefore, beneficiary business actors need to develop their entrepreneurial capabilities through several training program and facilitator's assistancy. These capacity building programs and facilitation could develop the sustainability of the implemented activities can be achieved. The entrepreneurial capability development program has been implemented by the Setaria Farmer Group in Kutai Kartanegara Regency, in order to optimize activities and develop product innovations as well as expand market share coverage. Developing exploitative capabilities through various empowerment activities is a provision for the Setaria Farmer Group to utilize honed entrepreneurial capabilities. Afterwards, they can maintain the sustainability of business activities that are being pioneered and developed, including adapting. the market share situation during the Covid-19 pandemic.

Keywords: Facilitation; community empowerment; entrepreneurial capabilities

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INTRODUCTION

Kutai Kartanegara as one of the areas adjacent to the equator has tropical climatic conditions with abundant natural resources. Sangasanga District as a part of Kutai Kartanegara Regency has historically developed the agricultural sector. In the next phase, the people in Sangasanga became dependent on the coal mining sector which uses productive land in Kutai Kartanegara Regency.

This shift in livelihoods led to a decrease in the number of farmers in Sangasanga. In addition, the fertility condition of the land in Sangasanga has also changed due to land degradation which has resulted in some parts of the Sangasanga area becoming critical land and becoming post-mining pits. The impacts of coal mining activities on the agricultural sector in Sangasanga have the potential to cause problems in the agricultural sector if they are not anticipated and handled comprehensively.

The prevention of problems in the agricultural sector in Sangasanga cannot be done optimally if it only involves the community. The success of community development requires collaboration between government, private and civil society elements. Therefore, the synergy between the three elements needs to be formulated in a comprehensive manner so that the roles and functions of each stakeholder can encourage the community empowerment process. The government can act as a regulator, the private sector can act as a stimulator, while civil society can act as the main actor in improving the quality of life of the community.

One of the efforts of the private sector is to contribute through the implementation of a corporate social responsibility (CSR) program which can be configured in the form of a community empowerment program, as has been done by PT Pertamina EP Asset 5 Sangasanga Field as a business entity in Sangasanga. Together with the Sangasanga community, PT Pertamina EP Asset 5 Sangasanga Field has formulated a CSR program with a community empowerment model in the agricultural sector. One of the community elements involved is the Setaria Farmer Group.

LITERATURE REVIEW

The implementation of corporate social responsibility (CSR) is based on the triple bottom line concept proposed by Elkington (1997). According to this concept, the company not only has responsibility for the company's profit (profit), but also has responsibility for improving the welfare of the surrounding community (people) and is responsible for preserving the environment around the company (planet). This concept then becomes the benchmark in managing corporate CSR globally.

In the context of legislation, the obligation to implement CSR in Indonesia is regulated in Law Number 40 of 2007 concerning Limited Liability Companies (UUPT) Article 74, for business entities related to (extractive) natural resources are required to carry out social and environmental responsibility.

In the initial phase, the implementation of CSR programs by companies in Indonesia was generally in the form of direct assistance (charity) which tended to be unsustainable and merely a spontaneous reaction by companies in responding to community demands. Companies, which tend to carry out charitable activities by providing assistance to meet short-term needs only, do not yet have a sustainable orientation towards meeting long-term needs. However, currently the implementation of CSR in Indonesia has changed by providing a portion of the CSR program through a community empowerment approach (Rijkie, 2019).

Community empowerment is interpreted as an approach that provides opportunities, greater authority to the community to manage the development process (Soetomo, 2011). Empowerment refers to the process of obtaining power or the process of providing power to the less empowered. In the context of community empowerment-based CSR programs, the corporation as one of the development actors also gives authority to the community to manage the development process independently. In carrying out community empowerment

programs, the company acts as a facilitator and supports program funding, while the community is involved in every stage of the program to achieve community independence.

The implementation of community economic empowerment programs can use a program model that focuses on developing entrepreneurial activities. The entrepreneurship that is being developed also covers various sectors, such as the service sector, creative industries and agriculture. Community empowerment programs that focus on entrepreneurial development can support the program's sustainability. Therefore, it is necessary to have qualified entrepreneurial capabilities from the target groups who receive the benefits of the program.

A discussion of entrepreneurial capabilities needs to begin with an understanding of the concept of capabilities. Saith (2001) explains that capability is a person's ability to do or become something. Sen (in Hausman, 1994) emphasizes the meaning of capabilities in two positions, namely as a set of functions and individual abilities to be able to achieve these functions. In placing capabilities in the first position, it is explained that a person's capabilities reflect an alternative combination of functions that the individual can achieve.

In the second point of view regarding the concept of capabilities, Sen (1987: 36) emphasizes that function is an achievement point, while capability is an individual's ability to achieve that function. This can be interpreted that in the context of entrepreneurship, capability is more directed at an individual function that can be utilized to achieve new functions that support the development of entrepreneurial activities.

Furthermore, regarding the concept of entrepreneurial capability itself, Arthurs and Busenitz (2006) explain that entrepreneurial capability can be seen as the ability to identify new opportunities and develop the resource base needed to seize these opportunities. Entrepreneurial capabilities are primarily linear with opportunities positioned as a reference point for decision makers (actors). Therefore, actors identify the opportunities that exist and then begin to configure the resource base they deem necessary to seize the opportunities identified based on the description above, it can be interpreted that one of the entrepreneurial capabilities of a business actor lies at the level of recognition (entrepreneurial opportunity recognition).

Eckhardt and Shane (in Phillips and Tracey, 2007) suggest that entrepreneurial opportunity recognition is the ability to identify situations in which goods, services, raw materials, market share, and organizational methods can be introduced through new forms of means, ends, or the relationship between means and ends. According to Arthur and Busenitz, entrepreneurial capability also touches on the ability to formulate a plan to utilize appropriate resource bases needed to seize opportunities. In short, the explanation above tries to emphasize that in order to follow up on the opportunities seen, business actors need to utilize various resources around them in such a way that they can achieve the opportunities that have been identified.

In the process of exploiting opportunities and resources, business actors are required to be able to actualize recognized opportunities by developing technical capabilities which are the

reference for the functioning of entrepreneurs. Actualization is meant to realize the function of an entrepreneur through the ability to transform potential opportunities into actual ones, thereby creating real added value which can then be used as a support in the process of exploiting and developing subsequent opportunities.

If the entrepreneurial context is emphasized in the discussion of the ability to identify and exploit opportunities, the actualization of entrepreneurial capabilities focuses more on matching two important components, namely products and prospective market share (good opportunities). The process of matching product opportunities and market share in entrepreneurial dynamics can be categorized into three types, namely recognition, discovery, and creation with an approach to adjusting the conditions of opportunities and entrepreneurial activities.

The program implemented to encourage community empowerment through training activities for capacity building, and assistance by facilitators.

METHOD

The unit of analysis in this study is the Setaria Farmer Group as the CSR foster partner of PT Pertamina EP Asset 5 Sangasanga Field.. This research consists in a descriptive and exploratory research, and its objective is to analyze recognition and exploitative capabilities of the Setaria Farmer Group in identifying and taking advantage of opportunities in order to maintain the sustainability of group activities as community empowerment programs. The qualitative approach is justified as being adequate for situations which aim to understand psychological aspects related to this phenomenon (Richardson et al, 2011). Descriptive research aims to measure or to collect information, independently or not, about concepts and variables (Miles and Hoberman, 2014). Exploratory research is supposed to examine themes not explored much, or not yet approached. The data collection process was carried out through literature study, Focus Group Discussion (FGD), field observation, and indepth interview.

RESULT AND DISCUSSION

Recognitive capabilities basically include the ability of business actors to identify opportunities such as opportunities for optimization of product concepts, opportunities for efficient and effective use of the resource base, and opportunities at the market share level. Meanwhile, exploitative capability in the realm of entrepreneurship is defined as the ability to make use of potential situations around it which are actualized in product configuration activities, optimizing the use of resource bases, and distributing product value to market share. originated from early recognition of agricultural development opportunities in former coal mining areas.

The Setaria Farmer Group was formed in 2012. The initial formation of this group was motivated by the opportunity to use post-mining land that was abandoned but still in a

productive condition for the agricultural sector. In addition, the group initiators also recognized market share opportunities for agricultural products such as vegetables and fruit which at that time could still be absorbed by local traditional markets. The initial recognition stage became a milestone in the early history of the initiation of the establishment of the Setaria Farmer Group. As reviewed by Pacheco, et al, (in Kusworo, 2015), the initial stage experienced by this group is called recognition in which the activities carried out by business actors are matching products and markets that have previously existed or been known.

Pertamina EP Asset 5 Sangasanga Field began facilitating the Setaria Farmer Group and held discussions to prepare a 5-year strategic plan and details of a work plan per year starting from 2019-2023. The discussion process took place dynamically and actively in which group members who attended one by one expressed ideas for development based on the opportunities that each group member identified. When summarized, the ideas conveyed by group members emphasize the potential for integrated agricultural development integrated with cattle farming in the business process of the Setaria Farmer Group. The integrated farming system (integrated) is considered to be able to increase efficiency because cow dung that was previously not managed properly can be used as raw material for making organic fertilizers. The process of forming these ideas can be interpreted as an effort by group members to recognize opportunities to use the resource base available around them for the development of previous business processes (conventional agriculture).

The dynamics of group discussions indicate the potential for entrepreneurial capabilities in the form of opportunity recognition by group members. The company stimulated a discussion forum with proposals to develop an integrated agricultural education area. The response of group members to ideas actually shows the potential for the recognition capabilities of group members. Immediately several members responded by explaining several preparation plan options, starting from managing livestock stalls, utilizing fragrant lemongrass as a neutralizer for the smell of livestock manure, building organic fertilizer processing sites for educational tours, developing derivative products that can be used as tourist souvenirs, and cultivation several species of plants that can support these ideas. The final proposal is a collective agreement. and is part of efforts to improve the production process and product development

The planning options put forward by group members increasingly indicate the potential for cognitive capabilities which can then be used as the initial basis for developing the group. The way group members identify plan options also indicates the potential for the group to take a second approach in the Individual Opportunity Nexus (ION), namely the discovery approach. The discovery approach taken by the Setaria Group is to formulate planning options for the development of integrated agricultural education tours that have not previously been found or exist in the Sangasanga area and then formulate preparatory steps to attract the existing market share. The development of an integrated agricultural program as well as a means of education for visitors and the surrounding community is one of the strategies for expanding and developing the program. This can lead to a partnership model with new groups that can be formed.

The indication of the potential for cognitive capabilities is then a consideration for the representation of the company's Community Development team in deciding to foster the Setaria Farmer Group. The various planning options outlined earlier are then used as material for compiling strategic plans and work plans to realize the agricultural education development plan in the Setaria Farmer Group.

Recognitively, the entrepreneurial capabilities of the members of the Setaria farmer group do show a potential indication. However, in developing empowerment programs, exploitative capabilities are also needed as a set of skills to take advantage of identified opportunities. The exploitative capabilities of the members of the Setaria Farmer Group need to be optimized to complement the existing cognitive capabilities so that the opportunities that have been identified are not only empty dreams that are not realized. Therefore, the company started facilitating the Setaria Farmer Group to develop its cognitive and exploitative capabilities in capturing entrepreneurial opportunities.

At the coaching stage, through community empowerment programs, the company seeks to assist the Setaria Farmer Group so that its cognitive capabilities can further develop, and the exploitative capabilities of group members can also be stimulated and developed. Facilitating the optimization of the development of the exploitative capabilities of group members is carried out by realizing funding assistance to build the infrastructure that was planned in the beginning. The infrastructure realized in 2019 includes repairing cow sheds and building an organic fertilizer processing area. Furthermore, in early 2020, PT Pertamina EP Asset 5 Sangasanga Field once again realized financial support for the construction of other supporting facilities such as the construction of a fragrant lemongrass distillation house, making a distillation device for burning husk smoke, and building a nursery for vegetable and ornamental plants. The manufacture of lemongrass distillation facilities aims to increase added value into industrial raw material products. In addition, nurseries are also needed to increase income and fulfill family nutrition.

With the support of group development from physical aspects such as the above facilities and infrastructure, it can help accelerate the development of the entrepreneurial capabilities of the beneficiaries. The realization of the construction of lemongrass refineries has encouraged the development and diversification of group activities. The product of lemongrass distillation can be traded as aromatherapy, raw materials for making soap and natural hand sanitizers, a mixture of natural disinfectant for cattle sheds, and lemongrass refined dregs used by the group as an alternative feed for cows so that a zero waste management system of lemongrass distillation can be realized.

Apart from the physical aspect, PT Pertamina EP Asset 5 Sangasanga Field also supports the development of the group's non-physical entrepreneurial capabilities. At the end of 2019 the company facilitated laboratory tests for the quality of organic fertilizers in order to guarantee the quality of organic fertilizers for consumers. The awareness of group members in proposing laboratory tests also indicates the growing exploitative capability of group members in developing organic fertilizer marketing to increase sales and reach a wider market share.

Other activities include training in the marketing of organic fertilizers and plant nurseries. The aim of the training is to increase the exploitative capabilities of group members in order to gain additional knowledge and skills regarding the importance of good packaging in the marketing process and the need for derivative products such as selling plant seeds using organic fertilizers.

In addition to fostering the recognition and discovery approach, the company also strives to develop the entrepreneurial capabilities of the Setaria Farmer Group through the discovery approach. Assistance was carried out by facilitating the construction of a smoked husk distillation facility to be processed into derivative products that were not previously popular in the Sangasanga market share. Prior to this facilitation, in organic fertilizer management, one of the compositions needed was roasted husk. Initially, the process of making roasted husks did not pay attention to environmental pollution. However, with the burning husk smoke distillation facility, group members can create new derivative products in the form of liquid smoke.

With the new product, group members are motivated to find new market shares by making offers to other farmer groups to apply the liquid product from the distillation of roasted husks in the agricultural process. The offering process is deemed necessary by the group to grow a new diversification of market share, which can expand the marketing reach of the Setaria Farmer Group's products. Although it is still in the experimental stage, local farmers have begun to become interested in developing liquid smoke products from roasted husks.

Entrepreneurship Capabilities activities in the form of recognition and exploitative capabilities carried out by groups independently and as company interventions have a positive impact on the sustainability of community empowerment programs in the Setaria Farmer Group. The existence of community empowerment programs through CSR has a positive impact not only on group members, but also on the surrounding community. This is in line with the aim of fostering the Setaria Farmer Group to realize the independence of the group and the surrounding community.

The positive impact that emerged with the development of the entrepreneurial capability of the Setaria Farmer Group, can be seen from the response of the surrounding community to the group's existence. The local community began to perceive the existence of the Setaria farmer group as an inspiring other business entities and a reference for the development of other community groups around it. This is evidenced by the presence of several opportunities involving members of the Setaria Farmer Group as resource persons for activities related to organizational management and agricultural management. The recognition capabilities of the members of the Setaria Farmer Group in identifying institutional opportunities were disseminated in an organizational management training activity for members of the Sarijaya Village Community Empowerment Institute (LPM), which invited group administrators as resource persons. In addition, the head of the Setaria Farmer Group was also given the opportunity to become a resource person in the backyard farming training for the Women Farmers Group (KWT) at the Sangasanga District level.

The positive impact that emerged with the development of the entrepreneurial capability of the Setaria Farmer Group, can be seen from the response of the surrounding community to the group's existence. The local community began to perceive the existence of the Farmer Group. The opportunity to become a resource for these activities was then used by members of the Setaria Farmer Group to promote products. Promotion is carried out, for example, by offering training for KWT in Sangasanga District to be held in locations managed by the Setaria Farmer Group. This approach is a strategic effort to promote group product sales because on this occasion, the training participants can be persuaded to try to buy organic fertilizer products and plant seeds to increase sales.

The strategies implemented by members of the Setaria Farmer Group after receiving coaching have developed the group's entrepreneurial capabilities and an increase in monthly income of around 60-65%. Several group members stated that prior to developing group business activities, the monthly income from agricultural activities ranged from Rp1,200,000 to Rp1,500,000 and increased to around Rp.2,000,000 to Rp.2,500,000 per month from the modification of entrepreneurial capability development activities.

In the context of community empowerment, the development of the beneficiary's entrepreneurial capabilities needs to be carried out consistently and with full awareness. With this consistency, the configuration of potential products and market share opportunities can be identified more frequently. The accuracy of identifying and exploiting opportunities carried out by the Setaria Farmer Group is proven to have an impact on increasing income. The existence of consistent recognition and exploitation of opportunities properly accompanied by the impact of increasing income can be a supporting element for the sustainability of entrepreneurial activities as a result of community empowerment programs.

Entrepreneurship Capability as a provision for Groups to Adapt to the Conditions of the Covid-19 Pandemic

During the Covid-19 pandemic, group entrepreneurship capabilities apparently played a vital role in supporting the sustainability of business activities. The main sector of the Setaria Farmer Group's business activities is agriculture, which in the case of the Covid-19 pandemic has the potential to experience a decline in income due to a decline in market demand for agricultural products. However, with the recognition and exploitative capabilities of group members, the Setaria Farmer Group has configured the processed agricultural derivative products needed by the market during the Covid-19 pandemic. One of the commodities reconfigured by the Setaria Farmer Group is the refined lemongrass oil. The group's processed fragrant lemongrass oil is combined with alcohol and several other ingredients to produce a new derivative product in the form of a hand sanitizer. In addition, in order to optimize opportunities for the social conditions of the people during the pandemic, which tended to choose to do activities at home, the Setaria Farmer Group recognized this as an opportunity to encourage the sale of organic fertilizers and seeds in polybags because people began to become interested in gardening as a living activity at home during a pandemic.

CONCLUSION

In implementing CSR programs with a community empowerment approach, the sustainability of activities is an important issue that needs to be considered by companies as facilitators and communities as beneficiary groups. On the other hand, the company has limitations so that it cannot provide continuous intervention. The interventions that have been given by the company need to be followed up with productive activities that are independently pursued by the beneficiary groups. In managing empowerment programs, the most important factor is building community awareness to be independent in maintaining the sustainability of group business activities.

The study results show the importance of participatory processes in the framework of community empowerment. Program planning activities that involve all stakeholders in a participatory manner, research support in program determination and program strategy, capacity building for groups and program facilitation show an important role in determining steps systematically towards an empowered community.

However, it cannot be denied that the main challenge in maintaining the sustainability of the beneficiary group's business activities is the need for entrepreneurial skills related to opportunity utilization management in the form of recognition and exploitative capabilities. The ability of the Setaria Farmer Group to identify opportunities in integrated agricultural activities has shown potential from a cognitive perspective. In order for the potential for group recognition capabilities to develop, PT Pertamina EP Asset 5 Sangasanga Field provides supports that can stimulate the exploitative capabilities of group members.

Alignment between the initial potential of group members in the form of cognitive capabilities combined with company intervention in developing exploitative capabilities through various empowerment activities is a provision for the Setaria Farmer Group to utilize honed entrepreneurial capabilities so that they can maintain the sustainability of business activities that are being pioneered and developed, including adapting. the market share situation during the Covid-19 pandemic.

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