
THE ROLE OF SOCIAL ENTREPRENEUR IN SOCIETY: THE CASE OF WASTE BANK TRI ALAM LESTARI (TAL)

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Abstract

Social entrepreneurship becomes interesting model to be discussed in the forum and universities. Social entrepreneurship solve the social problems especilly when discussing the social value as the main issue to be exploited as a result of social needs and opportunities. This research explore the role of social entrepreneur in society. The case is taken from the Waste Bank Tri Alam Lestari (TAL). Qualitative research methods was conducted by engaging in in-depth interview with the owner, then the researcher using descriptive analysis to explain the definition of social entrepreneurship and their role in society. The findings of this research result a new model of role of social entrepreneur in society, that contibutes to creating social value and their impact on society.

Keywords: *Social Entrepreneur, Society, Waste Bank TAL, Social Value.*

A. INTRODUCTION

Entrepreneurship has become a natural phenomenon in many countries. Entrepreneurship become more interesting, when its solve the social problem. When entrepreneurship goal is solving the problems in society, they called them as social entrepreneurship. The concept of social entrepreneurship has been increasingly applied in solving the problem of society (Alvord et al, 2004). Nevertheless, the challenges are found to be a substantial toward finding solution on the business based on social problems such as alleviation of poverty, problems of waste or garbage, health crises, demand of education, etc. Social entrepreneur plays a significant role in solving those problems in society.

Social entrepreneurship is not only solving the social problems but also educating the process to pursue innovative solutions and adopt a mission to create and sustain social value (Brinckerhoff, 2000). Social Entrepreneurship are commonly known as voluntary organization and not-for-profit sectors and the

social entrepreneurs are the players on this organization, they take into account a positive return to society.

The terms social entrepreneur and social entrepreneurship were used first in the literature on social change in between year 1960s to 1970s, and found its moment when Muhamad Yunus as the founder of Grameen Bank with his microcredits received a noble peace prize in the year 2006. Grameen Bank were found in 1976 in Dhaka, Bangladesh with prize motivation: "*for their efforts to create economic and social development from below*" (<http://www.nobelprize.org>). This organization has successfully help the very poorest people access to the financial problem on easy terms for running the business. Others like Ashoka Foundation, found by Bill Drayton in 1980 with motto "*everyone a changemaker*" (<https://www.ashoka.org>). Ashoka identifies social entrepreneurs with solutions to social problems in large scale change. They built community to change the world and promote their programs worldwide. In India, Prema Gopalan of Swayam Shikshan Prayog (SSP) were honoured as India Social Entrepreneur of the Year 2018 for her exceptional contribution to empower women in rural areas to be entrepreneurs, hundreds of women in rural areas are becoming climate resilience leaders and some of them plays important role in local government (<https://www.weforum.org>). Social entrepreneurship change the way they look at and think at entrepreneurial activity, is not only for profit or loss, but larger than that to open the windows of knowledge on the meaning of society it self.

Although the terms of social entrepreneurship found its moment in the world, but not in Indonesia. Yet, its seems look to be better now proven from the competition of social entrepreneurship organized in Indonesia. Like SE Empower Social Cooperative, Dongjak-Gu, Seoul, Korea were in collaboration with Business Administration Study Program, Tanri Abeng University, Jakarta organized the Young Social Entrepreneurship Competition in 2015 and attended by 165 partisipants from all over Indonesia. Nowadays, social

entrepreneurship becomes more interesting for young people in Indonesia especially for those who seek for social movement and change.

Today, non-profits organizations, foundations, and individuals also play the role to actively promote, fund, and advise social entrepreneurs around the globe. In Indonesia, the government in collaboration with young people establishing programs that focusing on social issues and solving their problems, such as education, health, sanitary, and waste problem. One of its was what the Waste Bank Tri Alam Lestari (TAL) did in the last 7 years in Jakarta.

Waste Bank or popularly known as Gargabe Bank established independently by society in some areas and cities in Indonesia due to phenomenon of waste problem in Indonesia. Especially waste from plastics and papers. The data released by Government Environmental Agency, Jakarta in 2016 stated that the city of Jakarta produces around 6000-7000 tons (Bona, 2016) of waste a day with 13% of an aggregate waste in Jakarta is plastic garbage then more than 46.000 of them are skimming the ocean consistently (Kalimasyada, 2017). The waste polluted the ocean, and damage the cleanness of the city. The government along with society and communities tries to reduce the damage by promoting the the 3R projects, they are reduce, reuse, and recycle the waste (Farida, 2012) to convert the unuseful waste into marketable products. In this case, shows the role of social entrepreneurs take place.

Waste Bank TAL was first initiated by Mrs. Tri Sugiarti, established in August 2014, located in Street Kampung Baru II, Ulujami, Pesanggrahan, South Jakarta. To gain their popularity, they do not only recycle the waste plastics and paper into valuable products and sale them, but also launched the projects to save enviroment and waste education for local society. This is how the role of social entrepreneur started, challenged, and developed in society.

B. LITERATURE REVIEW

Social entrepreneurship gained more attention among entrepreneurship scholars (Trevis Certo 2008), more over after recognition recieved by Social

Entrepreneur Muhammad Yunus of Grameen Bank. Social entrepreneurship becomes interesting model to be discussed in the forum and universities. Since then, the *social value* is the main issue to be exploited as a result of social needs and opportunities. The practice of social entrepreneurship has a long heritage and a global presence (J. Mair et al, 2006). The member of society creates their own social values based on the needs of their society such as water, shelter, education, health and medical services, foods, and the problems of waste that skimmed the river and ocean. Social entrepreneur plays an important role in exploring the social issues in the society, develop them, and change the way they are thinking of the problems.

However, the social entrepreneur aims to capture the large scale of value and transform benefits in society at large. Creations of innovation and creativity ventures based on society performance becomes the targets for providing the shelters and increasing the welfare of society. The social entrepreneur propose the change from underserved population to profit making society, generate income, and prosperity. This is what distinguished entrepreneurs and social entrepreneurs. According to professor Greg Dees from Duke University characterizes them as the pursuit of "*mission-related impact*" (Martin, 2007).

Martin (2007) define the social entrepreneurship opportunities with three main components they are: First, identifying the financial problems that suffered the marginal population and regards to transformation. Second, identifying an opportunity and developing a social value proposition. Bear inspiration and creativity as a challenge to be explored. Lastly, Creating a stable ecosystems around the targeted group and society at large. Social Entrepreneurship ones again the cover all those problems and is essentially characterized of successful not-for-profits organization (Brinckerhoff, 2000). All activities in identifying social problems not only for profit orientation but purely for the sake of social purposes.

The role of social entrepreneurs in society are varies based on the field and purpose of activity. Praszkie (2012), identify the multiplicity the existing

definition of social entrepreneurship. Social entrepreneur take the command of organization in exploring the ideas, opportunities, and innovation toward the market orientation. The entrepreneurial qualities become challenge to find the solution of the problem. Light (2008) on his book *The Search for Social Entrepreneurship* stated that social entrepreneurship is drive to *social change* with potential payoff to transfrom the benefits to society.

They are five pivotal dimension of social entrepreneurship (Prazkier 2012); social mission, social innovation, social change, entrepreneurial spirit, and personality. From those five dimensions, the only three of them are strategically important for social movement, they are the *social mission*, *social innovation*, and *social change*. While entrepreneurial spirit, and personality are a common requirement to become an entrepreneur and has no effect on social value and social change, except for the social entrepreneur it self.

Defourny (2014) explained in the late 1980s, public bodies in european countries faced a high rate of unemployment and public financial crises. The problem started from passive labour market policies on allocation of cash benefits to the unemployed, and developed active labour policies through training program and subsidies. The main problem is the unemployment and the creation of new jobs that unsatisfied the social needs. Finally some associations in collaboration with public bodies, trying to promote the integration of unemployed through a productive activity, what they called by the second labour market programme. Their needs are covered by non-profit sectors, this way how *social mission* is accomplished.

This research on social entrepreneurship has mainly conceptualized the construct in terms of the role of social entrepreneur in society. There are a number of approaches to solve the social problems based on their own social purposes. Social entrepreneurs identified as playing a role in up-lifting living conditions of the poor and under-privileged (Weerawardena et al, 2006) by facilitating community development through leadership programs. The role of social entrepreneurs existed when the social initiatives achieved the social

mission. The effect of this achievement would change the live of society at the very beginning. This research review the literature on social entrepreneurship especially the role of social entrepreneurs in creating the social value, social change, and social mission. So, What is the role of Waste Bank TAL in society?.

C. METHOD

A qualitative design utilizing in-depth interviews was conducted to gather all the necessary data from the owner. The data were analysed to grasp the big picture of the social entrepreneurship's role of West Bank TAL. Then the researcher using descriptive analysis to explain the definition of social entrepreneurship and their role in society. The theoretical framework are constructed from previous researchers. Social entrepreneurship effect directly to the live of society because of the role of social entrepreneur in it. This research identify the value of variable, from one variable to another (Sugiyono, 2011) and focus on exploring the role of social entrepreneur in society. As stated in the theoretical framework, the social mission can be achieved when social value, and social change are created. The case of Waste Bank TAL is the sample of this research.

D. RESULT AND ANALYSIS

In Indonesia, social entrepreneurship is purely for social missions, the motives are ranging form personal values, social norms, and religion (Rostiani, 2014). Everyone is responsible for solving the social problems following the social concern such as norms and beliefs. Social entrepreneurship carry organization in the right way to create a positive impact in society.

In this part, the researcher identify several categories of the role of social entrepreneurs in society. The main case is taken from Waste Bank TAL they are:

Social Mission

Social entrepreneur plays an important role in achieving social mission. Social entrepreneurs differ from business entrepreneurs in terms of their

mission. The main principle of social entrepreneur is to achieve social good. They invest in marginalized community for creating employment for their social purposes. Social entrepreneur nevertheless operate their financial return while simultaneously advancing a social mission. Dees (1998) urged that social entrepreneurs perceive and assess opportunities for social mission. He conceptualized social entrepreneur as a 'great person' approach to entrepreneurship because social entrepreneur create superior social value for their clients. Entrepreneur able to attract resources in any competitive market then convert them to productive activity in order to produce the products and services. The same explanation to social entrepreneur, that they must be able to attract resources in any competitive market then convert them to productive activity in order to achieve the end, *social mission*.

The case of Waste Bank TAL did spesific mission to the target market. They initially produce the handmade products by recycling the waste paper and plastics. This two kinds of waste are beneficial to produce the marketable products with competitive price. The owner then invites the community around the office to gather to produce the products. The target are unemployed women and child. When the researcher visit the office, i found and saw the difable people are also employed and enjoy the activity. Not only for women and child. The opportunity is given to them to work together in converting the waste products into valuable things. Creation of employment opportunities is a dream for every entrepreneur. But, what is more interesting in this case? Yes, the raw materials are taken from the society from unused paper and plastics at their homes. This small enterprise recycling the waste plastic and paper, convert them into a valuable product and instrument for daily life. The process is restoring, converting, and transforming waste into valuable products and generating income. Other projects are the program to save environment and waste education for local society. The proposal comes from the government and private companies in Jakarta. Through these activities, the mission of organization is accomplished and achievable.

Social Innovation

Santos (2012) in his research highlighted the key trade-off between value creation and value capture while explaining the situation of market with sustainable solution. He further assumes the human behavior and economic action as phenomenon of social entrepreneurship challenges. The finding of his research describes the social entrepreneurship as an innovation process in the economy, happen based on value creation, and operates by its own rules and logic. Every entrepreneur used to produces innovation products based on their own skills and competences. But in social entrepreneurship, the term used to refer to a social innovator.

Schaper et al (2011) defined entrepreneurship as the process to identify new opportunities then convert them into marketable products or services. If we relate this definition to social innovation means, that entrepreneurship is the only way to address the social problem into a particularly effective or innovative way. The business idea come up when the new phenomenon of social issues are formulated, developed, and assembled based on the availability of resources. Entrepreneurs take the market opportunity as a challenge, stand with adequate resources and favourable environment. Weerawardena (2006) on his research of Multidimensional Model of Social Entrepreneurship found that social entrepreneurship can be conceptualized as a multi-dimensional construct with innovativeness, proactiveness and risk management as its dimensions.

The aim of innovativeness becomes a part of social entrepreneurial organizations. A part from that, social entrepreneur must remain competitive while providing social value to the society. Thus, innovation attracted attention of many entrepreneurs. Social innovation specifically discussing about the meeting of social goals through *"new idea that work"* (Mulgan, 2017), the development is seen to be an urgent task. An example of Munir Hasan (Brinckerhoff, 2000), he transformed the dull and scary image of mathematics into lively and colorful festivals in Bangladesh. He addressed a math as a joyful subjects for everyone. The innovation is started, when the creativity is created.

The plastics and papers are the main raw material used in this West Bank TAL. The owner took part on the training of recycling waste provided by the government in 2013, since then she attempted to create her own model of handmade products. At the beginning, she tried and error, the only family support her on the project. With low level of education, she never forgive to create something that is marketable. Her motto is *“converting waste into blessing”*. She eventually creates her own brand called *“Kreasi Menik”* and sell the recycle waste products to many customers every month. She lately shaped the market segment and sell the products to women who loves handicraft and recycle products. The researcher found that the products are innovative and unique such as tissue box, vast flower, lamp cover, glass tray, etc. Many of products indicated the innovativeness and uniqueness of the creator.



Lamp Decoration and
Vast Flower



Tissue Box and Glass Tray



Fruits Tray



Innovative Products



Logo of Waste Bank TAL



Products's Brand Name

Pic 1. Innovative products, logo and brand name

Source: Researcher Modification

Social Change

The last and the most important thing is the social entrepreneurship context is social change. Talking about the social change, the social entrepreneurship is the only way to create a social change in society. Mort (2002), suggests the catalytic leadership provided in the areas of social concern with the purpose of change. His research about social entrepreneurship towards conceptualisation found that social entrepreneurship leading to the establishment of new social enterprises and innovation. The theory constructed will capture the unique organisational characteristics of social enterprises. Ney, et al (2014) on his research in the field of social entrepreneurship found that the social entrepreneurs generate social change in their environment through discussion of two social dimensions: space and time. He break down social change into the interplay of three levels: ideas, structures, and practices. Lets us trace the chain of change through previous mentioned case.

Munir Hasan change the mind of students, teachers, and communities on his concepts of mathematics festivals. The festivals is publicly announced and attracted the attention of Bangladeshi population at large. They gathered and enjoyed the fertivals and finally changed the way they are looking and thinking of mathematics. Yes, mathematics is fun and enjoyable. Their attitudes were transformed from rigid, and postcolonial style to a more open, and interactive approach (Brinckerhoff, 2000). In this case, social change were created after social value is delivered.

As the social enterprise, Waste Bank TAL has initially change mindset of society and the people around to see the enviroment as the opportunity. The change started from owner's entrepreneurial leadership style in making useless paper and plastics becomes important things to generate income. She transformed the idea into valuable products, marketable, and changeable. Finally reduces the issues of waste environment, and open the mindset of people towards the waste problems in society.



Pic 2. Role of Social Entrepreneur's New Model

Source : Researcher Modification

E. CONCLUSION

Social entrepreneurship indeed have social mission upon their establishment. They do not only solve the social problems but also pursue innovative solutions and adopt a mission to create social value. The role of social entrepreneur's theory is in line with what proposed by Brinckerhoff (2000), that social entrepreneurship must sustain the social value including creating impact on society. In this research, the researcher identifies the role of social entrepreneur to carry the organization in the right way and devise their mission based on several categories such as social mission, social innovation, and social change. However, Waste Bank TAL altered the environmental problems into the social needs and opportunities. Convert waste paper and plastics into valuable and marketable products then finally generate income.

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