THE IMPACT OF EAST CASHEW SOCIAL ENTREPRENEURSHIP ON PRO-POOR TOURISM IN KARANGASEM REGENCY

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ABSTRACT

Based on data, there are more than 28 thousand residents in Karangasem, Bali, who live below the poverty line. This poverty occurs because residents who were previously involved in the tourism industry cannot meet their basic needs, with the average monthly per capita expenditure below the poverty line. Karangasem was chosen deliberately as a research location because it has the lowest human development index in Bali. The research sample was taken randomly from poor households who previously worked in the tourism sector and are now laid off as informants. Further data was collected through structured interviews and observations. The results of data analysis and discussion show that the entrepreneurial welfare project in East Bali identified two strategies for reducing poverty. First, cluster one is a strategy for poor households who are very poor and have a low level of education. In situations of economic and social limitations, it is necessary to channel employment opportunities through a job placement system for this type of household. They are given the opportunity to produce goods for certain companies, involving three parties: poor individuals, companies, and the government. Second, cluster two is a strategy for poor individuals who work independently to increase their income. For entrepreneurial households, are advised to develop their businesses into micro, small and medium businesses to increase sales. This strategy focuses on improving quality in the production, marketing and financing processes. The second cluster strategy is a model of rural community empowerment based on partnerships.

KEYWORDS
Social Entrepreneurship, East Cashew, Poor Community-Based Tourism

INTRODUCTION


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The problem of poverty cannot be separated from other economic issues, especially the problem of income inequality. There is a close relationship between poverty, inequality and economic growth (Barro, 1999; Suryadarma et al., 2005). In Indonesia, income inequality shows a widening trend, with the Gini ratio index increasing from 0.308 in 2020 to 0.413 in 2021. This increase is in line with the slow decline in poverty. This reflects that improving economic growth is not always accompanied by equal distribution of income. Even though economic growth has increased, the decline in poverty levels has not been consistent, resulting in increasingly large income and consumption gaps between the poor and rich (Artha & Dartanto, 2014).

Karangasem Regency, in this case, is an example that illustrates this problem. The number of poor people in Karangasem Regency in 2020 was around 24,690 people, and will increase to 29,450 people in 2022, or around 6.98% of the total population of Karangasem Regency. The average income per month in Karangasem Regency is only around Rp. 376,229. This reflects the challenges faced by people in this area in achieving economic prosperity.

Apart from that, Karangasem Regency is also known as a producer of export quality cashew nuts, especially in Ban Village, Kubu District. The development of the potential of cashew nuts has received support from the East Bali Poverty Project (EBPP) since 1998. Ban Village, which is located in the hilly area of northeastern Bali, has less fertile and steep land, which limits the types of crops that can be planted by its residents. Apart from agricultural problems, basic health problems, access to clean water and sanitation are also obstacles to development in this area.

However, the sustainable development efforts carried out by EBPP have gradually given hope to the people of Ban Village. This involves the community's full commitment to achieving the goal of improving the quality of life for future generations. Although progress will take a long time, at least a generation, these steps create a strong foundation for sustainability and better economic development.

So far, most of the residents of Ban Village have relied on cashew farming as a source of income. Even though cashew nuts are an export commodity, their lives are still far from prosperous. This is caused by the lack of added value in processing harvests and limitations in trade mechanisms. However, the presence of East Bali Cashews (EBC) has brought significant changes. EBC buys directly from farmers and processes cashews into finished products before exporting, increasing their added value. EBC also plays an important role in advancing the local economy and improving the quality of life of the community, especially in Ban Village, Karangasem. In 2015,

In order to overcome the problem of poverty and income inequality, the government can implement strategic policies that support the welfare of the poor (pro-Poor). The World Bank suggests that to achieve significant economic development, the government needs to implement effective public policies by collaborating with the private sector and civil society organizations (World Bank, 2014). This collaboration is important to create synergy in inclusive economic development efforts, so that the benefits can be felt by the entire community. Apart from that, a relevant effort is to help poor people to increase their income through job creation.
Apart from the government, the private sector also has a role in dealing with social problems through corporate social responsibility (CSR) programs. However, sometimes CSR programs focus more on the company’s positive image rather than making substantial contributions to society. There are concerns that CSR is more oriented towards corporate profits than true social goals. Likewise, civil society organizations, such as NGOs, are sometimes limited by dependence on external funding sources. This can disrupt the continuity of solving social problems when these funds are no longer available.

All parties, including the government, private sector and civil society organizations, have weaknesses and challenges in efforts to resolve social problems. Considering the increasingly complex dynamics of social problems, innovative approaches such as social entrepreneurship are needed to overcome these problems.

The formulation of the problem in this research is as follows: What is the impact of social entrepreneurship in the East Bali Project on the implementation of Pro Poor Tourism in Karangasem Regency?

Literature review
Social entrepreneurship, although not a new phenomenon, continues to evolve and faces challenges in achieving a clear definition, particularly regarding its origin from traditional entrepreneurial paradigms or as an independent field of study. Despite the ambiguity, it has found extensive application in entrepreneurship studies related to poverty alleviation (Noruzi et al., 2010; Patra & Nath, 2014). Rooted in the historical recognition of entrepreneurship as a tool for addressing social problems, social entrepreneurship extends the basic entrepreneurial concept by emphasizing the creation of social value through innovative solutions to societal issues (Bornstein, 2007).

As a global phenomenon, social entrepreneurship has driven social change, propelled by innovative individuals, pragmatic visionaries, and social activists who leverage their networks. This approach combines business concepts, philanthropy, and social movement models to develop sustainable solutions for social problems, playing a crucial role in addressing challenges such as poverty, wealth disparity, welfare, environmental conservation, and legal advocacy (Bornstein & Davis, 2010).

Mair, (2006) categorize social entrepreneurship into three forms: nonprofit organizations seeking funding, individuals with ideas to reduce social problems, and companies integrating social responsibility into their activities. It emerged in response to government failures, ineffective nonprofit funding models, multilateral institutions’ focus on economic growth without poverty reduction, and limited impact from private sector corporate social responsibility activities (Jiao, 2011).

Nicholls, (2008) identifies factors driving the growth of social entrepreneurship from both the supply and demand sides. Global prosperity, increasing productive age, social mobility, and awareness contribute from the supply side, while economic inequality and competition in resource use prompt its emergence from the demand side. Inefficient public services further encourage the role of nonprofit organizations.

In essence, social entrepreneurship combines entrepreneurial concepts with the goal of achieving social benefits, allowing individuals to drive social change,
particularly in reducing poverty. The basic principles of entrepreneurship, such as innovation, focus on opportunities, and vision, can be applied in the context of social activities.

Switching focus, the concept of Pro-Poor Tourism is employed to analyze tourism policies aimed at revitalizing the economy of Karangasem, which faced an economic downturn due to the pandemic.

RESEARCH METHOD

The research method used in this study is a descriptive qualitative approach, in accordance with the approach proposed by (Creswell & Creswell, 2017) and (Neuman, 2007). This qualitative research approach involves the exploration and interpretation of social problems or phenomena using semi-structured interviews. These interviews are a complement to the use of questionnaires, which are not included in the research results because the questionnaire focuses on main questions regarding the impact of social entrepreneurial activities on community development. Although 20 questionnaires were completed, only eight respondents involved in the tourism industry and the East Bali Poverty Project were the subject of the impact analysis.

RESULT AND DISCUSSION

Social entrepreneurship, driven by innovation and a strong entrepreneurial spirit, focuses on creating significant social impact, particularly in addressing issues like poverty. The approach involves applying an entrepreneurial mindset to social challenges, emphasizing the pursuit of social value through innovative problem-solving. Entrepreneurial characteristics, including risk-taking, play a crucial role in addressing social problems.

The case of East Bali Cashews exemplifies the transformative power of social entrepreneurship. Aaron Fishman's venture, inspired by his experiences in East Bali, demonstrates how a social enterprise can contribute to local prosperity. By processing cashew nuts locally and involving the community, the business aims to improve the economy and reduce poverty in the region. The commitment to utilizing local potential aligns with the goal of creating jobs and enhancing the quality of life for farmers and their families.

East Bali Cashews not only emphasizes economic development but also prioritizes social impact. The company's initiatives, including employing local women, establishing a nursery school, and launching an agricultural improvement project, showcase a holistic approach to community development. The commitment to empowering women, reflected in an 85% female employment rate, addresses previous limitations in work opportunities for women in the region.

The company's growth and success, expanding to international markets, signify the effectiveness of a socially responsible business model. East Bali Cashews proves that social enterprises can be both profitable and impactful, contributing to global responsibility through honest, transparent, and sustainable practices.

Additionally, the initiative's educational efforts, such as the Eco Lodge and early education center, further integrate the community into the cashew production
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process (Dragusanu et al., 2014). By involving visitors and locals alike, East Bali Cashews aims to create awareness, share knowledge, and contribute to the overall well-being of the region.

Shifting focus to the concept of fair trade, East Bali Cashews plays a pivotal role as a non-governmental actor in promoting fair trade for cashew nuts in Ban Village. The fair trade scheme aims to achieve social impact by improving community welfare. This aligns with broader discussions in International Relations, where non-governmental actors are increasingly recognized for their role in addressing economic, social, and environmental development issues. The collaboration between states and non-state actors, such as companies and non-governmental organizations, becomes essential in fostering national prosperity and societal welfare (Connolly, 2007).

In conclusion, social entrepreneurship, exemplified by East Bali Cashews, demonstrates the potential for businesses to create positive social change while maintaining economic viability. The combination of innovative thinking, local engagement, and a commitment to fair trade principles showcases a comprehensive approach to community development.

Comparative Analysis of Fair-Trade Implementation Before and During the COVID-19 Pandemic

The COVID-19 pandemic also had an impact on EBC with a decrease in demand which resulted in EBC production falling. This happens because the majority of EBC consumers are foreign tourists visiting Bali or staying long term in Bali. Despite a decrease in demand during the pandemic, EBC continues to run business operations as well as possible, and production continues with the help of demand from local markets outside the city and ongoing exports (Wisnawa, 2021). Based on WFTO's 10 fair trade principles, the author will evaluate the implementation of fair trade by EBC before and during the pandemic.

a. The principle of creating opportunities for small producers EBC has played an important role in Ban Village by building a cashew nut processing factory. Before the existence of factories, cashew nuts were usually exported in the form of logs, which resulted in lower cashew prices compared to processed cashew nuts. The presence of EBC which directly processes cashew nuts into various products creates opportunities for small producers, namely farmers, to produce cashew nuts with added value. By purchasing cashew raw materials directly from farmers, EBC helps increase opportunities for these small producers. By building a processing plant, EBC can purchase cashews at a fair price, thereby increasing the value and income of small farmers. This reflects that EBC has implemented the principle of creating opportunities for small producers, namely farmers. The process of creating opportunities for small producers can also be seen in developing the potential of small producers through planting rosella and raising honey bees, both before and during the pandemic, so that no significant changes have occurred.

b. Principles of conducting trade practices and principles of proper/fair payments in payments. EBC does not have its own plantation that produces raw materials, so they run their business supply chain by purchasing cashew nut raw materials.
directly from cashew farmers in Ban Village. The mechanism for determining the price of cashew nuts is done by calculating the price per yield (Photo 1). A good yield shows that the cashew nuts are of good quality, and the higher the yield, the higher the price paid to farmers. However, if the yield is low, the price paid will be lower (Interview with Lunas, 12 October 2021).

This shows that EBC has implemented the principles of conducting decent and fair trade practices and payment principles in payments before the pandemic. During the COVID-19 pandemic, not many changes occurred regarding the supply chain, and the scheme implemented remained the same as purchasing directly from farmers. Raw material prices still follow international market prices and yields. There are no significant changes in the price range. However, the supply of raw materials has decreased due to decreased market demand during the pandemic, so cashew farmers face difficulties because their harvest cannot be fully absorbed by EBC. Farmers hope that the COVID-19 pandemic will end soon so that economic recovery can occur, demand for EBC products will increase, and more of farmers' harvests can be absorbed by EBC.

a. The principle of ensuring there is no child labor and forced labor. EBC does not employ children as workers in its companies. As a social enterprise, EBC has a mission that involves positive change for the Ban Village community as a whole, and children's education and their well-being is a primary concern. EBC considers that children, as the next generation, have the right to receive a proper education. In 2014, EBC established a school for early childhood children in Ban Village called AnaKardia Kids. Originally, the school was designed for the children of EBC workers, allowing working mothers to continue working without having to worry about caring for their children. AnaKardia Kids initially functioned as a daycare and school, which allows the children of
working mothers at EBC to attend school there. In the morning, the mothers go to work with their children, and the children can attend school adjacent to the factory. This allows mothers to work without disrupting the care of their children. As time went by, this school also became available to the general public.

b. Principles of commitment not to discriminate, prioritizing gender equality, and freedom of association. EBC is a company that is committed to not discriminating and promoting gender equality. EBC is also active in empowering women, which is reflected in the composition of their employees, where of more than 600 employees, around 85% of them are women. During the pandemic, there was no significant change in the number of workers, despite a decrease in production demand. The number of workers required depends on the level of product demand. EBC still maintains the dominance of women in the number of workers, and opportunities to occupy important positions in management, such as supervisors and managers, remain open to women. This shows that EBC continues to provide opportunities for women to develop. EBC believes in the right of women to work and earn their own income, and their children also have the right to education and play. To make it easier for female workers at EBC to fulfill their motherhood and work roles, EBC established the AnaKardia Kids school, which offers childcare and opportunities for learning. Regarding freedom of association, EBC has a bipartite internal organization that involves worker representatives and aims to collect employee aspirations which are then conveyed to management. All these efforts demonstrate that EBC adheres to commitments to not discriminate, promote gender equality, and respect freedom of association. During the pandemic, these principles remain in place without significant changes.

c. Principles of ensuring decent working conditions EBC has an Occupational Safety and Health (K3) division which is responsible for ensuring safe and decent working conditions. Since before the pandemic, EBC has implemented strict standards regarding occupational safety and health, which are also related to the cleanliness and hygiene of the products produced. Workers at EBC are accustomed to using personal protective equipment such as masks, gloves, head coverings and special clothing when entering the production area. This is done to maintain product safety, cleanliness and hygiene. During the pandemic, health safety measures have been further enhanced with the addition of social distancing rules and stricter health procedures. The health team under the K3 division is responsible for ensuring that only healthy workers are allowed to work, and visitors must also provide proof of negative antigen swab test results. EBC management did not experience significant difficulty in implementing social distancing, as decreased production demand naturally reduced the number of workers required in one space. All these efforts demonstrate that EBC adheres to the principle of ensuring decent working conditions.

d. In principle, increasing EBC capacity seeks to have a broad positive impact, not only for small producers and their workers, but also for the general public. Capacity building efforts are directed at three main stakeholders: farmers, workers and local communities. To support farmers in improving production quality, EBC organizes farmer extension programs, provides education about
quality cashews, sustainable farming techniques, introduces new commercial crops such as rosella, establishes Village Drying Centers (VDC), and promotes the rejuvenation of cashew trees through nursery programs. EBC management also provides opportunities for all workers, both men and women, to take part in various trainings to increase their capacity. Training includes the development of technical skills and soft skills, which opens up opportunities for workers to improve their position in company management. During the pandemic, this training program continues. EBC's Human Resources Department considers the pandemic period to be the right time to invest in internal development, with the aim that when the situation returns to normal, EBC is ready to operate even better. Currently, EBC focuses on training related to food safety, such as HACCP (Hazard Analysis and Critical Control Points) standards, BRC (British Retail Consortium) standards, and halal certification. Capacity building efforts also involve the Ban Village community through the establishment of AnaKar-dia Kids, a preschool that provides basic education for children in Ban Village.

e. The principle of respecting the environment EBC runs a sustainable and environmentally oriented business. Since 2016, EBC has implemented the concept of “use all cashew nuts,” which involves purchasing old cashew trees from farmers and replacing them with new seedlings. EBC uses all parts of the cashew tree, including wood chips from old trees and cashew shells left over from production as fuel for drying and steaming. The ash produced from this process is used as fertilizer for plants. Apart from that, leftovers from the production process, such as cashew shells, papaya, bananas, and so on, are also used as fertilizer. In its production, EBC strives not to leave any part of the cashew nut unused.

All of these actions show that EBC continues to adhere to its principles of respecting the environment, even though the pandemic has presented its own challenges. During the COVID-19 pandemic, this action continues, although there are differences when East Bali Immersion is still operating. At that time, fertilizer produced from organic waste was used as fertilizer for fruit plants in the East Bali Immersion area. Guests who stay overnight participate directly in this fertilization process. However, after East Bali Immersion closed, the fertilizer was used for internal purposes.

From the perspective of analyzing the 10 principles of fair trade, EBC's business has not experienced many changes in its operations during the pandemic. What has changed is only the implementation of health protocols and physical distancing guidelines in response to the pandemic situation. The presence of EBC in Ban Village has brought positive changes to the village's economy. They buy cashew crops directly from farmers at fair prices, so farmers don't need to look for markets themselves. With the existence of the EBC factory, many Ban Village residents work there, and this has brought changes in the economic sector compared to before. Apart from that, farmers’ income also increases because the EBC factory is located nearby and the price of cashew nuts increases, so farmers benefit from it (Bale Bengong, 2021).

Overall, EBC as a social enterprise has implemented most of the fair trade principles. This is reflected in the partnerships built with other companies and
NGOs, where they carry out business practices that not only prioritize economic aspects, but also social and environmental aspects. However, EBC products themselves have not received fair trade certification. There are also several fair trade principles that have not been fully implemented, such as transparency, accountability and fair trade promotion. The EBC does not have a publicly published annual report. Although EBC has various programs to increase capacity and provide benefits to workers, farmers, and communities, such as the Anakardia program and farmer education training, they do not have separate reports, only publications via their website. This indicates that EBC has not fully complied with the principles of transparency and accountability.

Community participation Involvement of poor communities in decision making and interaction with the tourism sector is important, especially if their main focus is achieving sustainability. The East Bali Poverty Project aims to create sustainable solutions to poverty in Indonesia’s mountain villages, by prioritizing children’s health, nutrition and education. In the health sector, the first step is to introduce relevant awareness/education programs to address the problem of iodine, vitamin and mineral deficiencies in food. This is supported by the consumption of iodized salt, multivitamin tablets and fresh milk, as well as building a health protection system. This includes routine health checks to evaluate the nutritional status of children and babies, providing advice and assistance to pregnant women, and introducing a regular dental program. Of course, to support this initiative, it is important to ensure good access to villages. After the Daya access road was opened, communities in the most remote hamlets in the mountains, such as Cegi, Pengalusan, and Bunga, saw an opportunity to improve the steep and winding footpath, which at that time was their only access. They now fully understand that they can bring positive change to current and future generations by making their own physical efforts to expand existing pathways. This will also facilitate the inclusion of project teams to engage in knowledge transfer as well as bringing in appropriate technologies, while providing opportunities for a better life for their families and opportunities for their children. By implementing a mutual cooperation system, where the community works together for the common good in the long term, they carried out excavations on a steep hillside, which ultimately resulted in a path that was gentler than the difficult pedestrian path with a slope of 40 to 50 degrees. The sandy volcanic soil conditions make stabilization with cement difficult. There are several small donors who provide funds to obtain bags of cement, and local communities often work day and night to achieve an acceptable level of stabilization. By giving priority to this participation, it will help the community grow healthily and have opportunities in the tourism sector.

Commercial realism The East Bali Poverty Project has a shared commitment to accelerating the reduction of obstacles faced by poor communities. This was achieved through the construction of 25 kilometers of road infrastructure for remote communities. Apart from that, there are also efforts to provide clean water for 2,400 families from mountain springs, artesian wells and rainwater reservoirs. All of this aims to provide products needed in the tourism sector that can be commercialized.
Holistic Livelihood Approach

In this approach, attention is paid to the sustainability of people's lives in various aspects, including economic, social and environmental, both in the long and short term. Since 1998, the East Bali Poverty Project (EBPP) has provided assistance to more than 3,500 poor families living in 19 remote hamlets. The goal is to help them gradually escape the cycle of poverty.

In 1998, these communities were spread across the arid northern and eastern slopes of Mount Agung and Abang in eastern Bali, covering a total area of around 5,000 hectares. They are completely isolated from the outside world, without access to roads, water supplies, health facilities, education, sanitation, or electricity. Children are the main victims in this condition. Malnutrition and iodine deficiency disorders (IDD) are endemic problems there, considering that iodine is a key micronutrient for brain and body development. In this situation, they asked for help from David Booth, who later gave birth to the East Bali Poverty Project.

After conducting interviews with 1,056 families, the most remote communities expressed their desire to provide education to their children, in the hope of bringing positive change to their lives. With inspiring and productive cooperation, collaboration began with 19 communities to address basic human needs. Currently, the six remote hamlets that are the project locations have experienced exponential growth, thanks to the high commitment and motivation of the community. This clearly shows the benefits of empowerment and ownership in achieving successful culturally sensitive social and economic development. This approach has been adopted and replicated by several local governments and other communities in Indonesia.

The following are the benefits to society identified in relation to economic development objectives: a. Improving faster and safer transportation of livestock (via people's banks) to markets, enabling access to purchase a variety of foodstuffs other than cassava and corn, as well as meeting essential needs, especially for individuals who require medical care such as mothers in hospitals, labor work, and people suffering from chronic diseases. b. Providing better access to education for children from upper hamlets through project programs. c. Opens opportunities to improve overall quality of life and self-esteem. d. Improves prospects for the government in providing water and electricity, although implementation may require more time and effort.

As previously explained, some villages are located at the top of geologically relatively recent lava flows, resulting in many steep access routes. Some locations, such as Cegi and Pengalusan, experience problems with vehicle access because the slopes are too steep, even for motorbikes. Therefore, local people are taught how to prepare and install a suitable basic concrete mix with a ratio of 1:3 between cement and volcanic ash. This volcanic ash was available on site for use, and the results were very satisfactory. Bagged cement is provided by the project. These concrete paved paths are designed to last a minimum of 4 years, and this can be achieved comfortably. Most lines have even longer lifespans.

What is interesting is the ability of the local community in preparing the soil for the road base as well as in handling and installing the concrete mix. Along with training provided by the EBPP team and assistance in building the first route, local
community groups now have the independence to interact with local government, obtain funds to purchase cement, and build their own access routes. This is a real development in increasing their self-esteem.

With flexibility in implementing an even scale of development and fair funding, the East Bali Poverty Project (EBPP) started an integrated education program in August 1999 to help illiterate children in Bunga hamlet and also facilitate the construction of the first road access between Mount Agung and Mount Abang in March 2000. They also built toilet/bathroom facilities for 1,515 families in 13 communities and provided nutritional assistance to 111 children who experienced severe malnutrition and 244 children who experienced moderate malnutrition. The East Bali Poverty Project continues to improve the quality of life of disadvantaged communities with three main programs, namely integrated education for 180 elementary to high school students in six remote schools owned by EBPP, malnutrition intervention for babies aged 0-5 years,

The construction of the first road connecting Daya village with the saddle between Mount Agung and Mount Abang opened the first access for thousands of people to leave the village and gain knowledge and supplies. As many as 400 families from the four most remote hamlets participated in the construction of this road by donating one family member. With the opening of this road, around 3,000 families have experienced great benefits, especially in bringing their harvests to market and seeking proper medical care, especially for pregnant women, babies and people suffering from chronic diseases. Previously, the nearest health facility was 17 kilometers away and no transportation was available. Even though the conditions were very worrying, the community managed to survive in this situation.

The cost of building this new road, which began in November 1999 and was completed in March 2000, was less than US$2000. The road remains stable and does not experience landslides thanks to the planting of vetiver grass (Chrysopogon zizanioides) to stabilize the steep and sandy banks. Later, the government began construction of a 19-kilometer rural road along the same route, although this project was abandoned without completion after its budget ran out. Finally, this government road was completed in December 2000, more than 6 years after it began.

By learning and adapting the Pro-Poor Tourism concept since 1999, the East Bali Poverty Project (EBPP) tries to continuously update its approach in accordance with developments in the definition of poverty. EBPP adopts social business as a strategy to support its social mission. In social business, entrepreneurial values are the main driver in achieving independence, which differentiates it from commercial entrepreneurship (Ashley, 2001). Social entrepreneurship aims to create social value while still considering financial aspects. The East Bali Poverty Project shows that an entrepreneurial approach can be used to overcome social problems, including creating jobs and improving welfare (Srisantisuk, 2015).

Entrepreneurship, according to Mair & Noboa, (2006) and Swedberg (2009), does not only include economic activities, but also non-economic activities. Social entrepreneurship falls into the category of non-economic entrepreneurship, which combines innovation and risk to create social change. Bina Swadaya and Mitra Bali are considered entrepreneurs who utilize innovation as a tool to create new ideas in
their products. This concept also emphasizes the importance of innovation in creating something new.

Austin (2006) highlighted two key elements in social entrepreneurship, namely innovation and social value creation. Innovation is an important part of social entrepreneurship, and takes many forms, including transformational, economic, and political innovation. The creation of social value is the element that differentiates social entrepreneurship from ordinary entrepreneurship that focuses on financial profits.

Perrini and Vurro (2006) added that social entrepreneurship plays an active role in creating social change with creativity, innovation and entrepreneurial practices. Social entrepreneurship is the main driver in creating social change through solving problems, increasing capacity, and demonstrating ideas whose social impact can be measured (Perrini & Vurro, 2006).

Social entrepreneurship is an important alternative in efforts to develop the economy of poor communities who have limited access to resources and economic opportunities. Although there are several obstacles in the inclusiveness of economic development carried out by the government, the entrepreneurial approach in developing the economy of poor communities through social business has proven effective. Even so, the impact still needs to be broader to achieve significant poverty alleviation. Therefore, the growth of social entrepreneurship is key in efforts to reduce poverty.

The majority of participants (46.92%) agreed that social entrepreneurship has a positive role in overcoming socio-economic challenges by providing support to underprivileged communities through various means such as counseling, education, youth training, and job creation. They also noted that social organizations and social entrepreneurs of various sizes and profiles around the area have an important role in the Karangasem Regency community by providing health services. This is in line with data on registration of non-profit organizations in the form of foundations which shows that since permission was granted to register non-governmental organizations in Bali,

In terms of the focus areas of social entrepreneurship, there are four main areas that dominate, namely combating social exclusion (15.30%), encouraging local development (13.26%), providing good employment opportunities (10.20%), and stimulating economic growth (9.18%). This is the main goal for social entrepreneurs in the regions where they operate.

Not involving the community in the development process is a problem. Community involvement is very important in development, and social enterprises that do not involve them can hinder progress in overcoming socio-economic problems, because groups that need help are not involved. Community development requires guidance from those who understand the needs of that community. Lombard and Strydom (2011:333) argue that local communities have long been considered an important element in the development process and that community development must involve those who face socio-economic problems. In the author’s view, community development includes local community support for programs organized by social entrepreneurs. Karangasem Regency residents are ready to help social entrepreneurs overcome this problem by providing physical and time support. This kind
of collaboration can bring positive changes that can overcome socio-economic problems.

Community development requires the involvement of local communities in the entire process. It can be said that the involvement of local communities in social entrepreneurial efforts to develop communities is important because they better understand what their communities need. In addition, the synergy between social entrepreneurs and local communities allows all stakeholders to have a comprehensive understanding of the problems faced and have the same goals. Weyer (2011: 154) reveals that the concept of community includes a system that includes sub-systems that work together to overcome certain problems for the common good. Besides that,

It is important for social entrepreneurs to present community development plans to the community. At this time, this plan has not been provided to the public. Appointing community leaders as intermediaries and advocates to communicate these plans can help achieve this goal. Led by (2005:15) noted that the procedures used to develop the community require involvement, initiative and support from external and internal stakeholders to improve the quality of life of the community. In taking part in community development, social entrepreneurs who hope to change the area often face challenges in carrying out activities aimed at producing what the community needs. Hall and Midgley (2004:

The majority of participants (34.68%) thought that the implementation of social entrepreneurial activities in community development efforts was not going well. This finding is in line with research conducted by Ledwith (2005:16), which noted that to achieve improvements in people's lives, involvement from various parties, both external and internal, is required. For social entrepreneurs who seek to change conditions in an area, they often face difficulties in carrying out activities aimed at achieving their goals because the use of resources by these organizations has not resulted in the expected achievements.

Social entrepreneurs have an important role in communities that is often overlooked. Most participants (31.62%) agreed that social entrepreneurial activities were successful in meeting the needs of residents in Karangasem Regency. They play a key role in local communities by creating new employment opportunities, increasing incomes, improving services, strengthening income retention at the local level, and involving communities in development efforts. Apart from that, they also carry out various initiatives, such as training, workshops, counseling, clothing making, providing important information, and distributing food packages. This finding is in line with research conducted by Di Domenico, Haugh, and Tracey (2010:698), which recognizes that through education and social integration, Social entrepreneurship creates social value because government is often limited to marginalized areas, thereby creating a new order. In addition, these findings are in line with Ulleberg's (2009:8) research, which notes that most social enterprise activities and initiatives are designed to increase the capacity of beneficiaries through training, technical advice, exchange of experiences, research and policy suggestions. This finding is also related to the views of Uvin, Jain, and Brown (2000:1409), who recommend that non-governmental organizations can increase their orientation to encourage change by utilizing their capacities through activities and initiatives such
as information sharing, training, consultation, and advice. This finding is in line with Ulleberg’s (2009:8) research, which notes that most social enterprise activities and initiatives are designed to increase the capacity of beneficiaries through training, technical advice, exchange of experiences, research and policy advice.

However, the impact of social entrepreneurial activities is still not very clear, although there are observable changes. Slightly more than half of the participants (20, 40%) acknowledged changes in terms of training, community mentality, poverty levels, and the presence of young people in schools, which they attributed to social entrepreneurial activities. This finding is similar to the results of research by Evoh (2009:Online), who found that through social entrepreneurial initiatives, social organizations can have an impact on the communities in which they operate by developing certain skills, such as communication skills, self-understanding, and self-esteem, which This is a very valuable quality in today's society. However, the majority of participants (30.60%) stated that they had not seen any significant impact.

There is a clear link between the results of social entrepreneurial efforts and community development. Most respondents, namely 45 participants (90%), agreed with this. This finding is in line with research by Jafta (2013: Online), which notes that social entrepreneurship can function as a tool to create job opportunities and provide training in supporting culture as well as providing opportunities for the community to develop the clothing industry through arts and culture. The impact can be seen in the increasing number of people who have jobs and participate in activities that contribute to the development of society as a whole, such as training and education (Subadra, 2021).

However, monitoring of these results is still insufficient to increase the impact on community development. Most participants (35, 70%) thought that social entrepreneurs did not monitor the results of their activities well. Meanwhile, 15 participants (30%) stated that they monitored results, with 30 participants (60%) mentioning the frequency of monitoring, such as every month (14 participants or 28%), every week (6 participants or 12%), and every years (6 participants or 12%). The importance of effective outcome monitoring is emphasized in impact-focused research. Therefore, the participants provided suggestions, such as focusing more on the drug problem which causes problems among the younger generation, providing educational scholarships, advertising development approaches.

However, the results of social entrepreneurship efforts are considered unsustainable in society. Most participants (32.64%) stated that the results of social entrepreneurial activities do not have sufficient sustainability to trigger development, because people tend to quickly give up on these results. This is related to activity patterns that often repeat themselves over time. This finding is in line with research by Gilliss (2011:256), which revealed that sustainability issues are a big problem in social entrepreneurial practice, because it is often difficult to create sustainable activities to maintain the results of their efforts.

On the other hand, social entrepreneurial activities are considered ineffective in overcoming socio-economic problems faced by society. This finding is in line with the results of research by Herrington and Turton (2012: Online), which shows that the number of entrepreneurial activities in marginalized areas is still limited...
and the increasing trend is not consistent, thus hampering efforts to overcome community problems. Several institutions such as the East Bali Poverty Project and East Cashew are willing to contribute by donating skills and time, as well as providing ideas to support the vision of social entrepreneurship. Social entrepreneurs are considered ineffective in reducing poverty, and there is a view that they can become rich while their activities are not sustainable.

**Bottom of Form**

The following are recommendations for strengthening the role of social entrepreneurship in community development in Karangasem Regency:

**Involvement of Beneficiaries or Local Communities in the Community Development Process**

Social entrepreneurs must remember that community development must involve those who are classified as beneficiaries and trapped in socio-economic problems. Their involvement ensures greater checks and balances in determining the steps that need to be taken to advance society. Support in the form of volunteerism, finding sources of donations, and effective communication with local residents can be very helpful.

**Program Promotion**

Instead of waiting for local communities to find out about programs that can meet their needs, social entrepreneurs should actively introduce their programs to local communities through various means, such as distributing flyers directly, using social media, or holding social events. Appointing community leaders as liaisons and publicizing community development plans can be an effective strategy.

**Needs Analysis**

To support community development, social entrepreneurs must seek guidance from local communities who best understand their needs and how best to meet them. A comprehensive needs analysis can be a strong basis for program planning.

**Clear Planning**

Community development plans in underdeveloped areas, such as Karangasem Regency, must be formulated clearly and use simple language so that they can be understood well by the community. This plan should outline the concrete steps that will be taken to achieve development goals.

**Engagement with Local Residents to Realize the Vision**

It is important to strengthen collaboration with local residents in order to realize the development vision. This includes measures such as continuous monitoring, providing motivation, and providing advice to city residents to support local development.

By implementing these recommendations, it is hoped that social entrepreneurs can be more effective in playing their role in community development and provide a significant positive impact in overcoming socio-economic problems in the region.

**CONCLUSION**

In the cashew nut commodity trade in Ban Village, the East Bali Cashews company plays a central role as a non-state actor. They run a trading scheme by buying raw cashew nuts directly from farmers according to international market...
prices and based on yield. East Bali Cashews, as a social enterprise, runs its business by focusing not only on economic aspects, but also paying attention to community welfare and caring for the environment. This is reflected in the implementation of the 8 fair trade principles that this company has implemented. Although there have been some operational adjustments related to the pandemic, such as stricter health protocols in factories and maintaining physical distance, the principles that existed before the pandemic are still being implemented. Anakardia Kids School continues online learning, although childcare facilities are not yet operational. However, East Bali Immersion stopped its operational activities due to the impact of the pandemic on the tourism sector, and community capacity building activities could not be carried out during the pandemic.

Social entrepreneurs are recognized as strong agents of change in community development in Karangasem Regency. They identified various socio-economic problems, such as education, health and housing, as opportunities to create positive changes in the lives of people in Ban Village, Karangasem. Although social entrepreneurs play an important role in community development in marginalized communities, this research reveals that their activities have not succeeded in addressing the main problems of society, and their impact is still limited. This is due to several weaknesses, including lack of involvement of local communities, lack of adequate monitoring of results, and lack of effective planning and implementation of activities.

The results of this research have significant theoretical implications in the context of fair trade schemes, where companies play a leading role and interact directly with small producers. The practical implication is the importance of paying attention to the processing of cashew nuts to add added value, while still paying attention to the welfare of small producers through fair trade practices. Fair trade certification is also required as recognition of good practice. How this commitment can be maintained on an ongoing basis needs to be monitored, researched and evaluated on an ongoing basis.

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