

PAPER • OPEN ACCESS

Woman entrepreneurs in Jember : effect of social capital and virtual geography

To cite this article: P Suharso *et al* 2019 *IOP Conf. Ser.: Earth Environ. Sci.* **243** 012093

View the [article online](#) for updates and enhancements.



IOP | ebooks™

Bringing you innovative digital publishing with leading voices to create your essential collection of books in STEM research.

Start exploring the **collection** - download the first chapter of every title for free.

Woman entrepreneurs in Jember : effect of social capital and virtual geography

**P Suharso¹, H M Ani¹, Sukidin¹, R N Sedyati¹,
W Hartanto^{1*}, L O Mardiyana¹**

¹Department of Economic Education; Department of Social Studies, FKIP University of Jember, Jember, East Java, Indonesia 68121

*wiwinhartanto@unej.ac.id

Abstract. Women since the paradigm change in woman in development no longer plays a role in the domestic sector but also in the public sector. One public sector that attracts women to contribute more to economic development is to become woman entrepreneur by opening various trading businesses. The purpose of this study was to analyze social capital and virtual geography in success of business women entrepreneurs. Research methods using a qualitative approach with a focus on phenomenology. The results of the study revealed that the success of woman entrepreneurs who are MSME categories in their business cannot be separated from social capital like trusts, networks and organizations. The conclusion is that the use of social capital by woman entrepreneurs contributes to the sustainability of the business being developed. Recommendations need to be supported by government regulations to optimize social capital for women entrepreneurs.

1. Introduction

The phenomenon of women entrepreneurs has grown since 1980 along with the changing role of women who no longer refer to the old paradigm where the role of women is not only in the domestic sector. The new paradigm of women's role that refers to the woman in development principle has provided space for women to actualize their abilities in the public sector [1]. Since the opportunity opened to the actualization of the role of women in the public sector, many women become entrepreneurs. Various research results reveal that entrepreneurship of women entrepreneurs describes a positive contribution to economic development.

In many studies, woman entrepreneurship is acknowledged as the main contributor of sustainable economic and has a significant effect on reducing and alleviation poverty and inequality. According to Debroux [2], participation of woman entrepreneurs has been rapidly increasing over the last few decade. Debroux studies have reported a positive contribution to the world economy. Entrepreneurial phenomenon of women entrepreneurs in Jember, East Java is also developing along with the economic development of Jember which leads to a tourism economy and service base. Many women entrepreneurs in Jember are developing culinary efforts to support local economic development based on ecotourism and services.

The development of entrepreneurial activities of woman entrepreneurs in Jember is certainly not in a vacuum, but is influenced by many factors. Entrepreneurial activities do not take place in a vacuum; it is embedded in such as social relationship networks. Along with ITC, social networks rely more on the use of gadgets as social media to develop businesses that include production and marketing. In the context of marketing and social networks, the use of virtual geography has an important role. Likewise the spirit, determination and family support included in social capital encourages woman entrepreneurs to develop their ability to compete in the economic sector.

In another studies, Suharso [1] shows that social capital like trust and organization have significant contribution to successful woman entrepreneurship. Based on spirit of trust, organization, and by using



gadget as instrument of virtual geography, woman entrepreneurs develop their social capability and networking to make.

1.1. Social capital

The idea of social capital was first proposed by Pierre Bourdieu in 1985 and has found a firm foothold in social sciences. In his book, *The Distinction*, Bourdieu distinguishes social capital, economic capital, and cultural capital [1]. Social capital is categorized as a real or virtual resource, which is obtained by individuals through association with networks [3]. Social capital is a combination of different entities with two general elements, including certain aspects of the structure; and it facilitates the actions of individual or corporate actors. Social capital has been repeatedly proven in many studies to have relations with economic development and improvement in living standards, collectively [4].

Social capital also correlates with increases in household assets, per capita income, and household expenditure in Indonesia and Tanzania. This study defines social capital as 'the sum of actual and potential resources embedded in, available through, and derived from a network of relationships owned by individuals or social units' and divided into three dimensions namely, relational, structural, and cognitive.

1.2. Entrepreneurship

The word entrepreneurship in Indonesian is a combination of the words "wira" which means brave, brave and powerful "business", so that entrepreneurs are interpreted literally as someone who is brave or mighty in trying [5]. Entrepreneurship comes from the word "wira" which means the main, brave, noble brave or fighter; "Swa" means itself; and the word "sta" means standing. From the origin he said "private" means standing on his own feet or standing on his own ability.

Then they conclude that entrepreneurs or entrepreneurs mean people who struggle bravely, courageously, also noble and are exemplary in the field of business, or in other words entrepreneurs are people who have the characteristics of entrepreneurship or entrepreneurship such as: courage to take risks, virtue and exemplary in handling business based on their own willingness and ability. Interpreted entrepreneurship as the spirit, ability, attitudes and behavior of individuals in handling business (activities) that lead to efforts to find, create, implement work methods, technology, and new products by increasing efficiency in order to provide better services and or get bigger profits. States that entrepreneurship is the process of creating something different in value by sacrificing the time and effort needed to bear financial, psychological and social risks and receiving results in the form of monetary rewards and personal satisfaction as a result of activities that is. Entrepreneurship as a process of creating something new (creation) and / or making something different (innovation), whose purpose is the achievement of individual welfare and added value to society.

1.3. Virtual Geography

Along with the development of ICT, businesses use more networks (social) and organizations as marketing instruments and product expansion. Entrepreneurs, including women entrepreneurs, are mainly young women entrepreneurs (millennial generation) who use networks through gadgets and organizations as a source of information for marketing and product expansion. Moreover, woman entrepreneurs who pursue and develop businesses through online. Through internet, web or virtual reality networks that are in smart phones, product marketing no longer sees physical maps, but enough with google map, products are distributed by relying on the internet. Conscious or unconscious, the business world has utilized what is called virtual geography as an important instrument for business development.

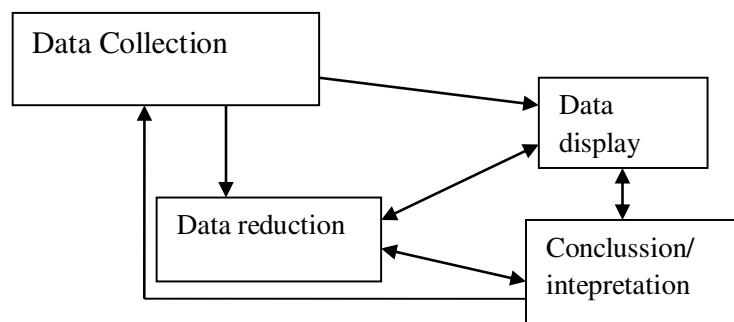
According to Batty [6] virtual geography or cyber geography and imagine geography are all the similar terms in the present literatures that show the impact of modern technology on geography. Batty [6] proposed virtual geography and focused on the relationship and interaction between cyberspace and the real world, and argued that the boundary between space and place in cyberspace turned blurred, while examined virtual geography mainly from the aspect of complicated social relationships in virtual

environments. Through virtual geography, the business world not only saves time, energy, costs, but also provides speed and efficient service.

2. Methods

This study uses a descriptive qualitative research approach that starts with the phenomenology paradigm. The location of this study is: UD Purnama Jati; UD Elza Multi Rasa Bakery, all of which are owned by woman entrepreneurs in Jember Regency. The number of main informants was 6 people and 3 supporting informants. The main informant is done with the snowball technique. Data collection methods used in this study were interview, observation and documentation methods. Analysis of the data in this study used the method of Miles and Hubbermain, namely the analysis of qualitative data consisting of data reduction activities, data display, and verifying conclusions. Analysis of data could be drawn as bellow.

Chart 1. Data Analysis by Miles and Hubbermain Model



Source : Miles and Hubbermain, modification.

3. Results and Discussion

An important aspect of the success of the business carried out by women entrepreneurs in Jember was measured by two things, namely, first, the increase in product volume and sales, and second, the expansion of the marketing area. This research found evidence that small and medium enterprises owned by woman entrepreneurs in Jember grew and developed together with the economic growth of Jember which was supported by tourism developments in Jember. Indicators of the growth and development of businesses run by Jember woman entrepreneurs are seen from the increase in product volume and expansion of marketing.

Tabel 1. Food Production of All Types of Third Trading Business In the last 6 months, 2018

Mounth	UD.Purnama Jati	Multi Rasa Bakery	UD Elza
April	2700 pcs	6650 pcs	3700 pcs
May	2780 pcs	6675 pcs	4050 pcs
June	2970 pcs	6540 pcs	3990 pcs
July	3090 pcs	6780 pcs	4100 pcs
August	3100 pcs	6885 pcs	4060 pcs
September	3050 pcs	6850 pcs	4050 pcs
Ocktober	3000 pcs	7000 pcs	4000 pcs

Source : Primer data, 2018.

In the end of 2018, the number of products that can be sold every month on their business is UD. Purnama Jati has an average of 3000 boxes including all the products it sells, especially those that are best sellers are “prol tape” (a cake made by “singkong”). While UD. Elza Puta can sell its products up to 4000 pcs every month, and even then it still cannot meet market demand, so UD Elza employees implement a strategy in order to make maximum use of existing human resources. While Multi Rasa Bakery is able to sell its products per month up to 7000 pcs for all products, especially the most contributing to the biggest sales are donuts and sweet bread because the price is very affordable, Rp. 2000.00. UD is able to sell its products up to 4x fold in the usual month, namely during the fasting month.

By means all food product in this research are “prol tape” (a cake made of “ketela”), “criping tela”, “criping pisang”, “suwar suwir” and somekind of food made of “ketela” with many taste. We often call them “oleh-oleh makanan khas Jember” (Souvenir of Jember special). During the holidays the demand for Jember specialties for souvenirs will generally increase along with the number of tourists on vacation in Jember and the surrounding area. In general, the demand for typical Jember food brought by tourists is a typical Jember processed food product that is durable.

This study also shows that the success of the business of woman entrepreneurs in Jember is supported by the optimization of social capital owned by Jember woman entrepreneurs. The existence of trusts from the family, capital assistance from microfinance institutions, social networks owned and involvement in Jember women's employers' organizations, have an effect or influence in increasing product sales volume, expanding product marketing and increasing business profits.

Even though the three culinary companies rely on social and virtual geography in producing food and marketing their products to various regions, there are striking differences between the three food companies. UD Purnama Jati relies more or trust on family networks and social networks as well as financial assistance from families, while UD. Elza Putra uses the internet network more in producing many variations of food and trust in banking networks to expand its business, while UD Multi Rasa has a lot to do with women's entrepreneur organizations, social networks, and internet networks. If UD Purnama Jati markets on the basis of traditional approaches, UD Elza and UD Multirasa use a modern marketing approach that relies on internet networks, both online and advertisements on Facebook, Instagram, Watchup and other social media.

Table .2. Modal Social dan Virtual Geography Yang Dikembangkan Tiga Perusahaan di Jember

Name	Social Capital Type	Virtual Gegrphy
UD Purnama Jati	Trust on family financial	Less use Virtual Geography and rely on tradisional approach
UD Elza Putra	Trust on banking networks	Rely on virtual geography to market her products. Instragram, Facebook, Watcgup, other social media become efective marketing
UD Multi Rasa	Trust on female organization and social network	Less use Virtual geography, but rely on female organization and social network. Prefer to exhibit food products with members of other women's entrepreneur organizations.

Souce : Interview, 2018

Almost all of the typical culinary products of Jember have marketing areas spread across Java. The expansion of the distribution of typical Jember products is supported by the using ICT in the form of internet, web. They use internet, web, to browsing how to improve quality of product. They used virtual geography as instrument to expand marketing. They sale of Jember's specialty products is not only done traditionally (off line) but also through online marketing and sales. By utilizing the advancement of ICT, woman entrepreneurs in Jember marketing their products through the internet, Facebook, Instagram, and have their own web. Through this strategy, Jember woman entrepreneurs have technological capabilities and competencies in building social networks and organizations through virtual geography.

The use of virtual geography through smartphones in marketing various culinary products for women entrepreneurs in Jember is a new phenomenon, not only for young entrepreneurs but also women entrepreneurs who are already old. Through digital maps they market their products in various regions outside Jember, even to foreign countries.

The increasing demand for Jember food products from outside Jember has encouraged female entrepreneurs to develop packaging to be more modern, attractive and effective when brought out of town or food products are marketed online and sent to all regions outside the city of Jember. In other words, various culinary companies in Jember owned by food entrepreneurs have modernized packaging so that it is not only attractive but also durable so that product marketing can be broader. Some of Jember's specialty food packaging products can be seen below.

Figure 1. Food Packaging Products



Prol Tape UD. Purnama Jati Packaging



UD Elza dan UD Multirasa Food Packaging

The results of the study revealed that the operation of social capital in the form of trust, networking and organization cannot be separated from the spirit to advance its business so that the assessment that women entrepreneurs cannot develop becomes indisputable. In addition to the spirit to

develop their business, these women entrepreneurs are also faced with increasingly competitive culinary businesses in Jember, along with Jember as one of the tourist destinations in East Java with the world-famous Jember Festival Carnival (JFC) resembling the Rio De Janeiro carnival or the United States flower festival.

The findings of this study that distinguish it from other similar studies are related to anthropological characters. Jember is the city with the largest Madura tribe. This Madura tribe has the character of unyielding and resilient to develop self capacity. As entrepreneurs of Madurese descent, they are resilient, have a high survival power and do not want to give up to develop their business. By using trust, social networks, and various organizations as social models, aided by modernizing marketing through virtual geography, women entrepreneurs in Jember can develop their businesses to become bigger and more advanced.

This study uses three dimensions of social capital referring to previous studies by Doh and Zolnik (2016). Then each dimension is translated as follows: The dimensions of trust are related to financial support that comes from the informant's social environment. Parents who believe in their children will provide financial support as long as they have adequate financial skills and are needed by their children. As with family members, financial support will be provided as long as members in the family need it. The marriage status of an entrepreneur also has an impact on the support he receives.

The development of business carried out by female entrepreneurs who owned UD Purnama Jati was inseparable from the first dimension developed by Doh and Zolnik. At the start of the business in 1995, owner UD Purnama Jati received financial support from his parents. Along with the development of the business, the female entrepreneur who owns UD Purnama Jati is set aside for the profit gained to be invested in developing the business. Trust from parents has an important role. Unlike UD Purnama Jati, the woman entrepreneur who owned UD Elza Putra did not gain the trust of her parents. For the first time to open a culinary business, women entrepreneurs who owned Elza Putra sold car assets and borrowed banks for venture capital. This UD Elza owner believes that the Bank wants to help capital to start its business. The channeling model as social capital found was not discussed by Doh and Zolnik.

The second dimension is associational activities related to network support obtained by informants. Support in the form of networks tends to be easier given by people around employers, ranging from parents, family members, friends, spouses, neighbors, colleagues, and organizations or groups where entrepreneurs are incorporated. According to Aldrich and Zimmer [4] the more entrepreneurs joined in groups or organizations the wider the network, as well as the surrounding environment, as more and more parents from entrepreneurs are involved in groups or organizations, the greater the possibility of increasing networks that indirectly or directly affect the network of children who is the entrepreneur himself. The business development that exists in UD Multirasa and UD Elza can be categorized in this second dimension, where UD Multi Rasa and UD Elza owners express more social capital owned through the organization network of small and medium-sized business associations or called SMEs (Small and Micro Medium Enterprises)

The last dimension is civic norms related to moral support obtained by informants. Moral support is the most common form of support given to an entrepreneur [7]. This moral support can come from various parties, especially through the family scope, namely parents, family members, spouses if the entrepreneur is married, friends, neighbors, colleagues, to groups or organizations where the entrepreneurs are incorporated. Coleman [8] said that moral support is closely related to the dimension of social capital, namely civic norms. The values and norms that apply in the general public encourage a person to provide moral support as a form of caring for others. For example, a friend from an entrepreneur gives moral support to the entrepreneur because of the close relationship between the two. Moral support is given not because the surrounding environment does not have the ability to provide support in the form of financial and network, but in certain situations an entrepreneur, especially woman entrepreneurs in Jember who are included in the MSME category, needs more moral support than both forms of support.

The ability to use technology through the internet, web and virtual reality conducted by the three merchants, UD Permamana, UD Elza and UD Multi Rasa also contributes to the success of Jember

women entrepreneurs in increasing production, marketing and market expansion. Especially Jember woman entrepreneurs who are still young and fall into the category of millennial generation women entrepreneurs, the presence of ICT is an important instrument for business progress. Not only to increase business success, but also to build individual and institutional networks for the sustainability and sustainability of its business. Through the progress of ICT that is realized in the operation of virtual geography, Jember woman entrepreneurs to date have survived, some of which have grown even bigger.

4. Conclusion and acknowledgement

The findings of this study reinforce various arguments from the perspective of economic sociology, which proves that business success in an economic perspective is often different from a non-economic perspective. Economic perspective often explains that business success is more influenced by the role of capital (money), markets, products, and services (service). But in reality not all economic perspectives are able to explain the reality of the field. Many entrepreneurs who open their businesses do not start with sufficient capital, but from determination and enthusiasm. Also supported by networks and organizations that are able to be accessed by entrepreneurs themselves. Here the role of social capital and virtual geography contributes to the success of the business of women entrepreneurs.

In future, the embryo of business development owned by women entrepreneurs will be faced with not only competition at the regional level, but also modern retailers from abroad. Therefore the enthusiasm for developing business through social and virtual geography is important to continue to develop. To be able to develop women's entrepreneurship based on social capital and virtual geography must be supported by rules that provide opportunities for the improvement and sustainability of women's businesses. Social capital and virtual geographic are two things that are dynamic, rapidly changing, and because of that, continuous training is needed for women entrepreneurs so that their capabilities are increased and sustainable.

References

- [1] PSuharso 2018 *Perubahan Gaya Hidup Priyayi Yogyakarta* UNNES Semarang
- [2] P Debroux 2010 *Female Entrepreneurship in East and South-East Asia Opportunities and Challenges* UK Chandos Publishing
- [3] A Greve and J Salaff *Social Networks and Entrepreneurship : Entrepreneurship Theory and Practise* vol **28** no 1 2003
- [4] H Aldrich and C Zimmer *Entrepreneurship through social network* In *The Art and Science of Entrepreneurship in Proceedings of the Asia Pacific Conference on Business and Social Science* Kuala Lumpur 1986
- [5] Riyanti and B P Dwi *Kewirausahaan Dari Sudut Pandang Psikologi Kepribadian* Jakarta Grasindo 2003
- [6] M. Batty 2018 *Inventing Future Cities* Mit Press
- [7] C Brush Carter N. Greene P Hart and Gatewood *The Role of Social Capital and Gender in Linking Financial Suppliers and Entrepreneurial Firms A Frame Work for Future Research* *Venture Capital* vol.

4 no 4 2002

[8] J Coleman 1999 Sosial Capital in the Creation of Human Capital Cambridge Mass