

CROWD FUNDING, SOCIAL ENTREPRENEURSHIP AND SUSTAINABLE DEVELOPMENT

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ABSTRACT - *The issues of sustainable Development is a mainstream issues of the nation. The participation of the citizen, is absolutely important for the sustainable of nation Development. However, until today, not many framework that describe in detail the pattern of collaboration between the government and its people This paper is going to focus on two main community based activity from the third sector that is becoming emerging for the need of sustainable Development. The two activities are crowd funding and the activity launched by the citizen that bring innovation solutions to social problem: social entrepreneurship. Crowd funding is actually a unique activity, lauched by the citizen to help other parts of the community using all the potential resources. Crowdfunding takes advantages of crowd-based decision-making and innovation and applies it to the funding of projects or businesses. One of the practice that becoming populer and getting attention worldwide as a partner of nation development activity is social entrepreneurship. A social entrepreneurship practice is a community based action that have potential to help the nation development processes. Many studies stated that this practice have brought advantages the community, but on the other hand, the government haven't fully promote the collaboration with them for the purpose of sustainable development. This article will try to analyze the potential of crowd funding and the activities of social entrepreneurship to become a partner of development undertaken by the government. Furthermore, on a broader scale, this paper also explores the role of the third sector to the development process. Finally, as a conclusion, a theoretical framework of the collaboration between crowd funding, social entrepreneurship and sustainable development is built, to complete this article*

keywords: Crowdfunding, Social Entrepreneurship, Sustainable Development

1. INTRODUCTION

Actually, sustainable development issues, is not a brand new discourse. Some studies [1] have shown that while the extraordinary industrial and technological innovations of recent decades have led to many breakthroughs, they have also left us to confront an uncertain future. It means that we have to face a new social and environmental problems challenge that human being have never faced before. It also means that our government have to think harder to deal with those issues. Another critics [2] claimed that there have been major negative impacts of development on the environment and on existing social structures.

These problems, left the world leaders a big homework to overcome. But, some activities from the societies continued. Related to those condition, then comes some phenomena such as [3]; Heightened concerns about the effectiveness of traditional governmental and charitable approaches to meeting social needs, a search for more innovative solutions that lead to sustainable improvements, and a parallel shift toward outcomes-based (rather than needs-based) approach to funding on the part of both private philanthropies and government agencies.

This proves that a growing number components of society outside the state government contributing in the development process. This phenomom also proves that there's a willingness form society to be a usefull citizen. Some studies called this movement or action as community economy or self-help economy [4]. Further, this article will try to describe how to optimize the spirit of community in contributing to the

development process. This becomes important because the first principle of the declaration on environment and development in Rio in 1992 [5] states that “*human beings are the centre of concern for sustainable development. They are entitled to a healthy and productive life in harmony with nature*”. This implies at least two things. first; the most important element in the process of sustainable development is human resources, and therefore, any movement or action contributive from the society that aims to help program development needs to be appreciated properly. A proper appreciation of the action contributive community, are expected to encourage the birth of similar actions, so that the government will have a lot of power that is able to help. Based on the explanation in advance, then the question arises; how is the form of crowdfunding activity and social entrepreneurship in the process of sustainable development?

2. MATERIALS AND METHOD

The main conceptual materials used in this article is crowdfunding, social entrepreneurship and sustainable development. while the analysis instrument used was a fishbone diagram.

2.1 CROWDFUNDING

Here is the more detail explanation about the concept being used in this article; crowdfunding, social entrepreneurship and sustainable development. Crowdfunding [6] is an umbrella term describing the use of small amount of money, obtained from a large number of individuals or organization, to fund a project, a business or personal loan, and other needs

through an online web-based platform crowdfunding [7] inspired by crowdsourcing describes the collective cooperation, attention and trust by people who network and pool their money together, usually via the Internet, in order to support efforts initiated by other people or organizations. Crowdfunding occurs for any variety of purposes [6], from disaster relief to citizen journalism to artists seeking support from fans, to political campaigns. This means that crowdfunding activities has reach many sectors in society. In the other side, crowdfunding reflect the spirit of altruism among people. It is exactly like what have been stated in Marketing 3.0 theory, that everyone has their own thinking, feeling and spiritual sense [8]. Then, crowdfunding is a refelction of the nature of society that has the potential to help each other. This is certainly a positive thing that can continue to be developed.

2.2 SOCIAL ENTREPRENEURSHIP

This review is meant to discuss the form of the practice, or activity included in the category of social entrepreneurship activity. One study [9] stated that social entrepreneurship activity, carried out by people who different and brave ideas. They think differently. They have several characteristics [10] like: (1) always trying to identify and apply practical solution to social problems, combining innovation, resourcefulness, and opportunity, (2) have an unwavering belief in everyone’s innate capacity, often regardless of education, to contribute meaningfully to economic and social development, and (3) jump in before ensuring they are fully resourced. Other argued [11] that social entrepreneurship is an activity that anomaly/odd. The main reason is because they expend all their energy for the good and welfare of others. Along with this, it is stated [12] that the practice of social entrepreneurship, has provided many benefit to society

Based on description upfront, it can be stated as a general conclusion that the practice of social entrepreneurship ia a practice that helps solve various problems by adopting the creativity and innovation that is commonly used in the field of business. In other words, social entrepreneurship is an activity that adopts the principle of entrepreneurial and business skills, but aimed at social problems.

Santos [11] reveals that while most theories suggest strategies for building competitive strategies, social entrepreneurship practice does not aim to compete one another. Unlike traditional entrepreneurship that promotes competition between many business, in the areas of social entrepreneurship, competition behavior is not dominant. Based on the explanation upfront, entrepreneurship is an innovative action undertaken by the community to solve social problems going on around them.

2.3 SUSTAINABLE DEVELOPMENT

The three aspect of sustainable development [13] are economic, environmental and social. This three units is a system of interrelated and dependent to one another. Efforts to understand the concept of sustainable development, is actually an attempt to absorb and

appreciate how these three aspects should interrelated and maintained its sustainability. Basically, the general principle of sustainable development is to meet the needs of the present without compromising the fulfillment of the needs of future generations.

Table 1: Definitions of Sustainable Development [14]

What is to be sustained	FOR HOW LONG 25 years ‘Now and in the future’ Forever	What is to be developed
NATURE Earth Biodiversity Ecosystems		PEOPLE Child survival Life expectancy Education Equity Equal opportunity
LIFE SUPPORT Ecosystem services Resources Environment	LINKED BY Only Mostly But And or	ECONOMY Wealth Productive sectors Consumption
COMMUNITY Cultures Groups Places		SOCIETY Institution Social capital States Regions

Through a table upfront, coverage and scope aspects of sustainable development can be perceivable. In principle, there are three major aspects that are cultivated sustainability: economy, people and society. Table upfront, clearly implying sub aspects of the three main aspects to consider in ensuring the passage of sustainable development. That is, through this table, roles and spaces that can be filled by the independent activity of the community is becoming increasingly clear. Surely it can support community members who want to contribute through the practice of social entrepreneurship and crowdfunding. Through the clarity of the program on the first aspect that is the human aspect, members of the public can play a role in the sub-sectors such as child survival, life expectancy, education, justice / equality and uniformity opportunities.

2.4 FISHBONE DIAGRAM

Analysis instrument used to examine the issues raised by this article is a fishbone diagram. The Fishbone diagram [15] is an analysis tool that provides a systematic way of looking at effects and the causes that create or contribute to those effects. The main principles used by this instrument will be used to map and describe the major issues. One advantage of the fishbone diagram is that this instrument allows users to see more clearly the ultimate goal of the activity, and the factors that affect the successful achievement of the final goal.

3. DISCUSSION

Social Entrepreneurship and crowdfunding are two positive phenomenon that occurs in the community.

Both of these phenomena imply that society can still be relied upon for the welfare of their own lives, without depending on the government. In general, the practice of social entrepreneurship has had a designated areas in society. This practice have produced certain benefits to the particular scope. Or in others words, there are a number of community needs that their fulfillment can be entrusted to this practice. Then, there are also a number of social problems that the solution can be handed over to the practice of social entrepreneurship. Principaly, this practice can be increasingly relied upon to fill in areas not reached by the development process.

Similar to social entrepreneurship, crowdfunding practice can also be developed in such a way to form a new culture in the community. The new culture is a habit developed to jointly identify the perceived needs together and take action to collect the source of funds and resources independently for the common good. At the beginning of the movement, support from the government (especially in the form of policy), is required to encourage independent action of the community becoming more powerful and more widely socialized. After some action began systematically awakened and could maintain its sustainability, then the government can begin to reduce its direct support.

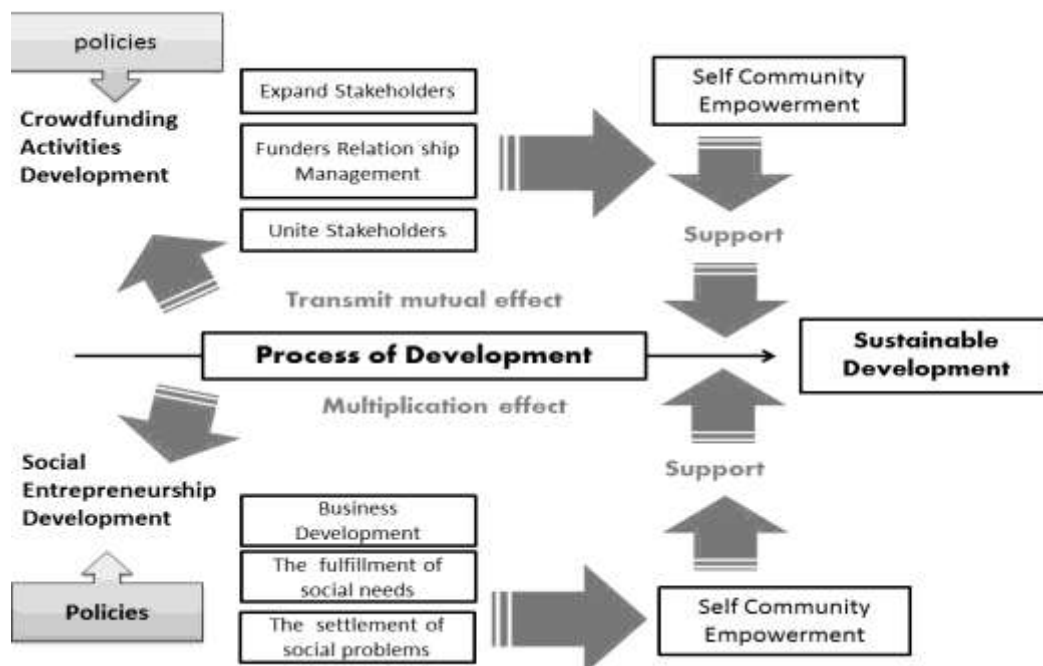


Fig. 1: Conceptual Framework

In fact, this support is an effort to further encourage self-reliance in meeting the needs and address the resolution of the various problems that they face. the concept of sustainable development in this case, is a concept or strategy that encourages the advancement of development or acceleration of the program, without sacrificing the interests and welfare of future generations. Thus, efforts to strengthen the independent actions that begin awakened at the community, is a wise decision.

Referring to the conceptual framework in advance, it can be said that the process of sustainable development, need to be supported by community participation. In principle, the more people who are willing to participate in the development process, then the the construction costs incurred to produce prosperity for all citizens will be increasingly lighter.

On the other hand, has been present in society, movements or actions that aim to produce good of their own. in addition, potential or force people to gather the resources needed for their own welfare has also been increasingly identified

The development process is a process that runs continuously. However, sometimes the journey is long and winding, so it needs support from other parties

outside the government. Through a theoretical framework contained in this article, it can be stated that: (1) Effort to succed the process of sustainable development can be assisted by developing community independe. One of the strategy is to develop and support the development of activities that use philosophy 'from community to community'. Effort to develop this two program systematically, will encourage transmit mutual effect and multiplication effects. Here is some from the model upfront: (1) The practice crowdfunding can help the government in an effort to fund a particular practice in a society that requires operating costs to be able to run the program. Means that, through crowdfunding activities, not every program that aims for the welfare of society must be funded by the government. With the 'transmit mutual effect' more and more people will get involved to this actiity (2) The practice of crowdfunding, that is held regularly, will be able to make communities aware of the important of working together toward a goal aspired together, (3) The practice of social entrepreneurship, is a reflection of a sense of social responsibility in an effort to help meet social needs and solve social problems. Therefore, any assistance from the government to enlarge this movement, will

be able to create the effect of multiplication of the benefits of the practice of social entrepreneurship, (4) Support for entrepreneurial practice is actually a form of appreciation for the citizens who have produced constructive thinking and contributive action. This is, actually a major investment in building a triangular synergy between the public sector, the private sector and the community sector.

(5) The number of social entrepreneurship practices developed in the community, will become the inspiration for the community members to be inspired and in turn will build the same action. With the 'multiplication effect' more and more beneficiaries will get the benefit from the program. (6) Create policies that support the development of the practice of social entrepreneurship and crowdfunding activities, is a smart move to ensure sustainable development

4. CONCLUSION

In general, this article provides ideas to be used by the government. Crowdfunding and social entrepreneurship activities are actions that come from societies. Both of these activities can be considered as a great potential partner for development process.

Effort to achieve the target set by the concept of sustainable development, can be helped by the movement or action from societies.

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