
THE IMPORTANCE OF SOCIAL CARE IN SUPPORTING THE SUSTAINABILITY OF MSMES IN SMALL BORDER ISLANDS

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ABSTRACT

This study aims to analyze the importance of social care in supporting the sustainability of MSMEs in the Small Border Islands Region. Aru Islands Regency was chosen as the area where this research was conducted. This type of research is a quantitative descriptive that will use primary data obtained from the distribution of questionnaires on Micro, Small and Medium Enterprises (MSMEs). The results of the test and analysis concluded that the social concern variable has a significant effect on the sustainability of MSMEs in the Border Small Islands Region of Aru Islands Regency.

Keywords: Social Concern, MSME Leadership.

BACKGROUND

Indonesia is the largest archipelago in the world with more than 17,000 islands, some of which are included in the category of outermost small islands and borders. This region has a strategic position both geopolitically and economically, because it is the vanguard that connects Indonesia with neighboring countries. However, behind this potential, small border island areas face various structural challenges such as limited infrastructure, difficult access to transportation and logistics, low levels of education and skills of the community, and lack of support for productive economic activities. This condition makes economic development in border areas slow and tends to lag behind the main mainland area.

In the context of national economic development, Micro, Small, and Medium Enterprises (MSMEs) play a vital role as the backbone of the people's economy. Based on data from the Ministry of Cooperatives and SMEs, the MSME sector contributes more than 60% to the national Gross Domestic Product (GDP) and absorbs more than 97% of the workforce. However, these contributions have not been fully evenly distributed across regions, especially in small island and border areas. Many MSME actors in this region still face limited capital, lack of access to technology, lack of market networks, and weak institutional support. This causes the sustainability of MSMEs in the region to not be optimally guaranteed.

One of the important factors that can strengthen the sustainability of MSMEs in border areas is social concern from various parties, both the government, the private sector, educational institutions, and the wider community. Social concern can be interpreted as a form of responsibility and active participation in supporting the welfare of the surrounding community through economic empowerment activities, training, mentoring, and the creation of an inclusive business ecosystem. This concept not only speaks of financial assistance alone, but also includes a collective

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consciousness to build social and economic solidarity in regions with structural limitations.

Micro, Small and Medium Enterprises (MSMEs) in maintaining their business continuity require capital, both financial capital, labor capital, and social capital. Social capital is capital that is not used. Putnam (Field, 2010) explains social capital as part of social life in the form of networks, norms, and beliefs. Social capital arises as a result of interaction over a long period of time and continuously, this will create an emotional bond to unite so as to produce trust from long-term relationships (Azhari & Mawardi, 2018). These three factors encourage participants to act together more effectively to achieve common goals that are realized in the form of cooperation between community members. The use of social capital in business continuity relies on the utilization of relationships and social cohesion. The potential of social capital, if developed, will provide convenience, both in obtaining economic benefits and social benefits (Fathy, 2019).

Social concern has become increasingly important in the modern era which is characterized by the high flow of globalization and economic competition. MSMEs in border areas are often in a vulnerable position due to limited resources and lack of adaptability to global market changes. In situations like these, the role of social care through partnership and collaboration can become a new strength. For example, the implementation of Corporate Social Responsibility (CSR) programs by large companies that are oriented towards the development of local MSMEs can have a significant impact in increasing production capacity, product quality, and business competitiveness. In addition, educational institutions can play a role through community service activities based on local economic empowerment and simple technology transfer.

In addition to the economic aspect, social care also has a socio-cultural dimension that is no less important. People on small islands generally have strong local wisdom and a communal value system that can be social capital in developing MSMEs. With social awareness, this social capital can be maximized to create synergy between business actors, local governments, and local communities. Economic activities that are built on the values of mutual cooperation, social responsibility, and environmental preservation will produce a more sustainable development model. This is in line with the principles of the Sustainable Development Goals (SDGs), especially goal 8 on inclusive economic growth and goal 11 on sustainable community development.

The sustainability of MSMEs in border areas is not only determined by internal factors of business actors, but also by the extent to which social support from the surrounding environment can be built. When people, institutions, and governments show high social concern, an economic ecosystem that supports each other will be created. For example, local community support for MSME products by prioritizing the consumption of domestic products can increase economic circulation at the local level. On the other hand, government policies that are oriented towards economic

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equity and empowerment of border communities will be a catalyst for the growth of new independent and competitive entrepreneurs.

Furthermore, social concern can also strengthen national resilience through social and economic stability in border areas. When people in border areas have access to decent livelihoods and are economically empowered, the potential for social conflict and illegal migration can be minimized. Therefore, strengthening social concern does not only have implications for economic development, but also for the strategic dimension of state defense. In this context, the sustainability of MSMEs can be seen as an important instrument in maintaining economic and social sovereignty in Indonesia's leading regions.

Kotler and Lee (2005) revealed that corporate participation is a form of responsibility that can provide many benefits such as; increasing market share, strengthening brand positioning, improving the company's image and influence, increasing the ability to attract people, motivating and lowering operational costs, and increasing investors' desire to invest. So it is important for MSMEs to have social concern for the sustainability of MSMEs and the achievement of the goal of establishing a business. Based on the description above, the researcher is interested in conducting a research entitled "The Importance of Social Responsibility in Supporting the Sustainability of MSMEs in Small Border Islands Areas".

LITERATURE REVIEW

Stakeholder Theory

In its business activities, the company must pay attention to all stakeholders. The influence of stakeholders is very large for the survival of a company. In general, this applies to all companies. Therefore, corporate social activities, including social concern, environmental conservation, should be carried out by all companies in various industries. Interested parties such as stakeholders are groups inside or outside the company that have an interest in the performance of the organization (Daft, 2003:214-215). According to the stakeholder approach, the organization chooses to respond to many of the demands made by the stakeholders. In this case, stakeholders are every group in the environment outside the organization that is affected by the organization's actions and decisions. If the pressure from stakeholders is very strong and affects the continuity and performance of the company, then the company must be able to formulate policies and social and environmental policy programs that are directed and integrated (Prasetyo, 2001 in Januarti and Apriyanti, 2005:232)

Social Care

The company's concern for the environment, especially for its community, is usually expressed through various social service activities, the company's participation in the celebration of holidays, local customs activities, the creation of public facilities such as toilets, places of worship around the company's environment

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to tree planting in the context of reforestation, supporting various environmental management campaigns and so on.

According to the theory of individual psychology by Alfred Adler (Loekmono, 2010) which presents a view of human beings, that humans are social creatures who are driven by the desire to get along and warm with other members of society. Adler believed that human beings are endowed with social consciousness from birth that makes them responsible to others to achieve a good welfare for themselves and others. Social concern was put forward by Alfred Adler in the original term *Gemeinschaftsgefühl* which means a sense of unity with all humanity; it expresses indirect membership in the social community of all human beings, (Feist & Feist, 2008).

Caring means the attitude of paying attention to something. Thus, social concern means the attitude of paying attention or paying attention to the affairs of others (fellow members of society). The social concern in question is not to interfere in the affairs of others, but rather to help solve the problems faced by others with the aim of goodness and peace. Social concern is an individual's interest or connection to help others. The immediate environment of an individual has a great influence on determining our level of social concern. From some of the definitions above, it can be concluded that social care is an interest in helping others so that peace and unity of humanity will be achieved. According to Crandall (1981) the aspects of social care are:

- a) Motivation (the urge to fight) is an impulse to do something to achieve a goal, human beings are motivated by social influences and by the struggle towards excellence or success,
- b) Cognitive (understanding, identification) is an individual's understanding of developing empathy for others and his perception of the future that affects his behavior of this data.
- c) Emotion (empathy, sympathy) is a positive attitude towards others, so that humans can realize what they are doing and why they are doing it.
- d) Behavior (cooperation, contribution to the general welfare) is the way people behave towards others, contribute to the well-being of humanity, human beings can be fully responsible for who they are.

According to Marwati in Steven & Bahar (2022), business continuity is defined as a state or business condition, in which there are ways to maintain, develop and protect resources and meet the needs that exist in an industry (business). The methods used are sourced from their own experiences, others, and are based on the economic conditions or circumstances that are happening in the business world.

Business sustainability is also defined as a stability of the business state, where sustainability is a business continuity system that includes addition, continuation and approaches to protect business continuity and business expansion (Widayanti, 2017). Business sustainability is also a condition when the company has sufficient funds to run and develop its business. The purpose of business sustainability can be interpreted as the maximization of the welfare of the business

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entity which is the present value of the business entity to its future prospects. The principle of business sustainability assumes that business entities will continue to operate throughout the process of completing projects, agreements and ongoing activities. The indicators of business sustainability are as follows:

1. Sustainability of economic business
2. Sustainability of social enterprises
3. Sustainability of environmental businesses

The benefits of Business Sustainability, as reported by Beritasatu, (2016) are:

- a. Increased productivity

Business Sustainability is almost the same as simplifying the production process and reducing excessive activities, so that the production costs incurred are also reduced.

- b. Unlocking investment opportunities

Companies that can manage finances and the environment well and have sustainable human resources will be looked at by investors to invest in the company.

- c. Increase profits

Business Sustainability cannot be separated from environmental sustainability. The more the business environment is maintained, it can be concluded that the business can benefit from the surrounding environment.

- d. Quality human resources

Human resources that are managed well through the skills and abilities possessed by employees will motivate them to continue learning and be able to compete competitively in order to realize good business performance.

- e. Efficient energy

The sustainability of a business cannot be separated from utilizing the technology that is developing today. Technology supports businesses such as marketing can be done online, production machines that are designed to be more efficient, financial bookkeeping can be done with a computer system.

HYPOTHESIS

Based on the above explanations and theories, the hypotheses in this study are as follows:

H1 : Social concern affects the sustainability of MSMEs in the Small Border Islands of Aru Islands Regency.

RESEARCH METHODS

The object of this study is MSMEs located on small islands bordering the Aru Islands regency which totals 44 people. The questions asked to the respondents included questions about the characteristics of the respondents and questions related to the research variables. The sampling technique used is accidental. The results of the distribution of this questionnaire are then analyzed in depth so that it will provide information on the influence of social

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concern on the sustainability of MSMEs in the Small Islands Border Islands Region of Aru Islands Regency.

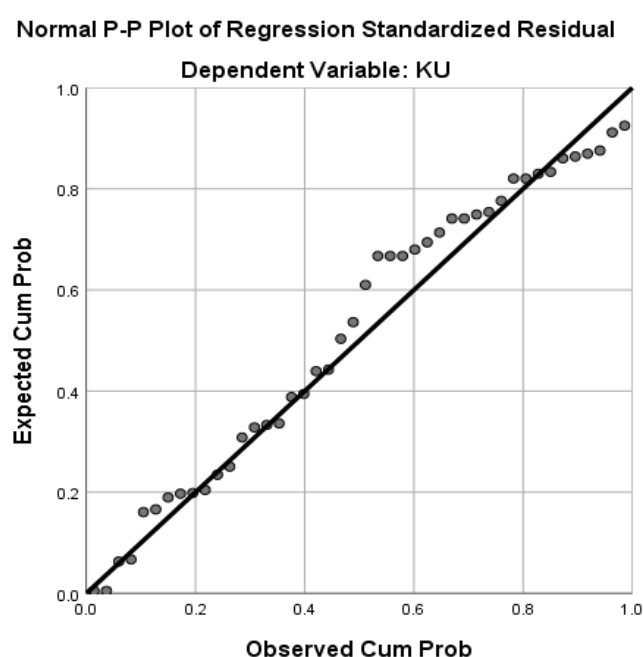
RESULTS AND DISCUSSION

Normality Test

Based on the results of the computation with the help of the IBM program, the normal probability plot graph is generated as follows:and equitable economic development based on regional potential.

Figure 1.

Normal Probability Plot



In figure 1. Above it can be seen that the scattered points are squeezed around the diagonal line and in the direction following the diagonal line, so it can be concluded that the residual data is normally distributed or the data in this study meets the assumption of normality.

Hypothesis Test and Discussion

Testing of the hypothesis will be carried out using simple linear regression. The following is a description of the results of the simple regression test as follows:

Table 1. Test Results t

Type	T	Sig.
Constant	3.881	.000
Social Care	2.853	.007

Source: primary data processed (2023)

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Based on the results of the t-test above, it can be seen how far the influence of one partially independent variable is in explaining the variation of the bound variable. The test results showed that the influence of social concern (X₁) on business sustainability in the Aru Islands Regency (Y) resulted in a significance value of $0.007 < 0.05$, which means that the social concern factor has a significant effect on business sustainability in the Aru Islands Regency (Y) area. So, this means that H₁ is accepted.

Based on the results of this analysis, it was found that social concern has a significant effect on business sustainability in the Aru Islands Regency area. The results of this study are evident from the respondents' answers where most of the respondents agree that alms must be excluded from the income obtained, participating in local religious/customary events needs to be carried out, participating in social service activities and contributing to charitable events are held, and the waste of products sold must be disposed of in its place. This means that MSME actors generally have social concerns in their lives. This implies that social care is not only important but is an elaboration of religious teachings and education that have been applied in the life of society and the state.

CONCLUSION

Based on the results of testing, analysis and discussion, it can be concluded that the variable of social concern has a significant effect on business sustainability in the Aru Islands Regency area. This indicates that social concern is not just a moral value, but a sustainable development strategy for the existence of MSMEs in small border islands. So it is important to be instilled and maintained by MSME actors and the surrounding community. For this reason, it is hoped that every MSME actor will participate in social activities carried out by the local area and care about others and the surrounding environment.

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