

The Role of Public Entrepreneurship and Democratic Values in Local Economic Development: A Case Study of Sukalaksana Village —Indonesia

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Abstract This research aims at analyzing the role of public entrepreneurship in local economic development. The concept of public entrepreneurship was used to discuss how public organization manages public resources for the betterment of both government and society. As an addition, it is also used to explain the role of government (particularly in the lowest level of local government –village) in directing public resources in a creative, independent, and innovative way in order to increase both the productivity of an area and also the efficiency of the government itself. The research focus is to understand how public entrepreneurship characteristic can be found in the village leaders hence they employed public entrepreneurship value to exploit the village resources for its local economic development. Further, it will analyze how public entrepreneurship values are reconciled with democratic values and how it affects the success of local economic development in the village area. This research will use qualitative method using the case study in Sukalaksana Village, Samarang Sub-District, Garut Regency. The data collection will be done through observation, interview, and document study. Upon the collection of the data, it will be then analyzed qualitatively in order to obtain the thorough understanding of the research object. To strengthen the data quality, we will use the triangulation of resources and triangulation of data collection. It is evident from the finding that the role of public entrepreneurs in Sukalaksana Village in the local economic development is significant. Formal and informal village leaders with characteristic of public entrepreneurship contribute to the efficiency of using resources and the increase of productivity in the community. The public entrepreneurs are able to reconcile public entrepreneurship values with democratic values for greater public interest in local economic development.

Key words Public entrepreneurship, Public entrepreneur, Village, Local economic development, Poverty, Non-farm employment, Agriculture

1 Introduction

Public entrepreneurship is fundamental for innovation in the public sector. This innovation is intended to generate new ideas in terms of solving the community problem by way of utilizing public resources more efficiently. Public entrepreneurship is also necessary for achieving public goals or fulfilling public interests and meeting the needs of the society-efficiently. Recently, public entrepreneurship has gain its momentum for the resources needed to provide public goods and public services are limited over time, whilst, the public demands are increasingly more complex, more dynamic and difficult to predict. Therefore, innovation to generate new ideas related to efficiency measures of public resources is certainly a challenge that cannot be avoided in a government organization.

Previous study (Pelupessy, 2015¹) showed that leadership (of OS- Chief of Village in 2008 – 2014) was significantly influence the community mindset and increase community participation in Sukalaksana village. OS is a figure with a clear vision and always hold firmly the principles to promote the public interest. Further, the decision related to the village construction is dominated by the elderly or community leaders, while more young people take part in the technical implementation of the decision. Elders and community leaders want to apply the learning to the youth who are preceded by

1 Pelupessy, Thony Adrian (2015) Partisipasi Masyarakat Desa Sukalaksana Dalam Pembangunan Desa Wisata, (Bandung: Administrasi Publik UNPAR, 2015), Undergraduate desertation, Unpublished.

their leaders in the Sukalaksana village. Other research by Rachmawati (2013¹) showed that at lower level of government (district level) public entrepreneurs could play an important role in addressing the community problem. It is evident in her research that public entrepreneur could generate innovation that encompasses the economic, social as well as environmental problem.

Whilst entrepreneurial skills are needed for public entrepreneurs to enable them carrying out their duties in achieving the goal of the society, public entrepreneurs also need to be aware that innovation and risk taking are often incompatible with democratic value that needs to be upheld as public organization. There are success story of public entrepreneurs and yet many had failed. This research will discuss about how public entrepreneurs in the village level unleash their entrepreneurial skills for enhancing the welfare of the society and whether they have incorporated democratic values.

2 Research purposes

- To investigate how public entrepreneurs in the villages exercised their entrepreneurial skills such as ability to identify opportunities, ability to make the right decision and the ability to create innovation in local economic development initiatives.
- To understand how those entrepreneurial skills impact on three approaches of local economic development: eradication of poverty, modernization of agriculture, and creation of non-agriculture employment.
- To analyze how do public entrepreneurs employ democratic values in local economic development initiatives.

3 Research method

This research applied qualitative method using the case study in Sukalaksana village, Samarang Sub-District, Garut Regency. The data collection was done through observation, interview, and document study. This interview was conducted by means of random sampling. The identification of public entrepreneurs was done through two stages. The first stage is the process of public entrepreneurship identification by the researchers based on the observation of the outstanding figure in the village. The second stage is confirmation by the community. Interviews were also conducted in two stages. The first round of interviews, conducted in 50 communities to gather information about the figures they thought to be public entrepreneurs in the Sukalaksana village entrepreneurs, as well as gather information about the results of the implementation of local economic development made public entrepreneurs. The second phase, carried out in 50 communities to ensure the correctness of that is an entrepreneur in the Sukalaksana village. It was conducted by researchers to improve the quality of data collected. Upon the collection of the data, it will be then analyzed qualitatively in order to obtain the thorough understanding of the research object. To strengthen the data quality, we triangulated the data collected from various sources.

Below is the list of the public entrepreneurs in Sulaksana village identified by the researchers and confirmed by the community:

No	Name	Formal/Informal Leader	Area of Origin
1	WI	Sukalaksana Village Leader – ad interm	Panyaweuayan
2	MS	Chief of BP-SPAMS (Badan Pengelola Sistem Penyediaan Air Minum dan Sanitasi/Management Board of Drinking Water and Sanitation) Karya Laksana Chief of farmer association Chief of neighbourhood association 06	Pangulaan
3	SJ	Chief of family welfare movement Chief of the village women cooperative	Waluran
4	IS	Chief of village consultative board, Chief of Chief of community empowerment association (Lembaga Keswadayaan Masyarakat/LKM)	Waluran

1 Rachmawati, Killing Two Birds with One Stone: Public Entrepreneur Integral Approach on Land Management toward Green Economics, in Irawati, Dessy (Ed.), Green Economics The Greening of Indonesia, (The Green Economics Institute, 2013).

No	Name	Formal/Informal Leader	Area of Origin
5	OS	Village Chief 2008-2014	Waluran
6	AK	Chief of youth organisation	Babakan Loa
7	EC	Informal leader	Babakan Hantap
8	TE	Informal leader	Babakan Hantap
9	IK	Informal leader	Babakan Loa

4 Literature review

Two concepts were applied in this research: public entrepreneurship and local economic development, and in this section those two concepts will be unpacked and synthesized to fit into the research focus.

4.1 Public entrepreneurship

Entrepreneurship is the concept that much more recognizable in the private sector. Compared to literature on entrepreneurship in private sector, literature on public entrepreneurship are much more limited, diverse and remain a debate subject (Diefenbach, 2011)¹ The concept of public entrepreneurship rooted from New Public Management doctrines (Hood, 1991)² or termed as *reinventing government* and *entrepreneurial governance* (Du gay, 2000 p.5³; Osborne & Gaebler, 1992)⁴. In NPM, it is believed that entrepreneurial spirit, private sector management technique and market elements are needed to transform the public sector management and processes. Under the NPM, the role of public sector managers is shifted, the new public management system gives managers the freedom to manage (Stoker, 2006, p.46⁵), they get to decide how best to achieve an outcome with a given amount of resources (Diefenbach, 2011, p.43). These public managers are considered as entrepreneurs (Bernier & Hafsi, 2007⁶; Hafsi, Bernier & Farashahi, 2007 p.4⁷; Osborne & Gaebler, 1992).

Diefenbach (2011) has an extensive literature summary on the characteristic of public organization. Compare to private organization, public organization has more intensive external political influences, unique expectation of fairness (Terry, (1998⁸) & Schneider et al. (1995, p.215⁹), responsiveness, honesty (Alfred (2008), p.360¹⁰; Pollitt & Bouckaert, 2004, p. 62-63¹¹), openness and accountability (Du gay, 2000, p.8; Meynhardt & Metelmann, 2009¹², p. 302; Moore, 2010¹³), goals

1 Diefenbach, Fabian E (2011) Entrepreneurship in The Public Sector: When Middle Managers Create Public Value, Gabler Research.

2 Hood, C., (1991). A Public Management for All Seasons, Public Administration, 69(1): 3-19

3 Du Gay (2000). In Praise of Bureaucracy: Weber, Organization, Ethics. London Thousand Oaks, CA: Sage Publications.

4 Osborne, D. & Gaebler, T. (1992). Reinventing Government: How The Entrepreneurial Spirit Is Transforming The Public Sector. New York, NY: Plume.

5 Stoker, G. (2006). Public Value Management: A New Narrative for Networked Governance. The American Review of Public Administration, 36 (1): 41-57.

6 Bernier, L., & Hafsi, T. (2007). The Changing Nature of Public Entrepreneurship. Public Administration Review, 67 (3): 488-503

7 Hafsi, T., Bernier, L., & Farashahi, M. (2007). Institutional Entrepreneurs in The Public Sector: Toward A Contingency Theory (No. Cahier de recherche No. 07-03-01).

8 Terry, L. D. (1998). Administrative leadership, neo-managerialism, and the public management movement. Public Administration Review, 58(3): 194-200.

9 Schneider Mark, Teske Paul and Mintrom, Michael (1995), Public Entrepreneurs: Agent for Change in American Government. Princeton University Press.

10 Alford, J. (2008). The Limits to Traditional Public Administration, or Rescuing Public Value From Misrepresentation. Australian Journal of Public Administration, 67(3): 357-366.

11 Pollitt, C., & Bouckaert, G. (2004). Public Management Reform: A Comparative Analysis (2nd ed.). Oxford New York, NY: Oxford University Press.

12 Meynhardt, T., & Metelmann, J. (2009). Pushing The Envelope: Creating Public Value in The Labor Market: An Empirical Study on The Role Of Middle Managers. International Journal of Public Administration, 32(3), 274-312.

13 Moore, M. H. (2010). Projects on Public Value Management: Guest lecture. May 18, 2010, St. Gallen.

beyond direct customer satisfaction; greater goal ambiguity managers, traditionally fewer incentives and less decision-making autonomy and flexibility for managers, and risk/reward trade-off that favor error avoidance (Bernier & Hafsi, 2007, p.490; Currie et al., 2008¹, p.990; Morris & Jones, 1990², pp.77-78). The culture of risk avoidance and the traditionally low decision-making autonomy and flexibility are particularly relevant in the context of entrepreneurship (Rainey, 2009, p.86³).

Further, Diefenbach (2011, p.33) summarized that the definition of public entrepreneurship in public sector organization can be categorized into two categories: concept and person. Related to the topic of this research on how public entrepreneurship in local economic development initiatives in the village level, a number of elements of public entrepreneurship is applicable. First element is innovativeness, pro-activeness and risk taking, which are termed as “innovate”, initiate change and facilitate risk (Kearney et.al. 2007, p.227⁴). Second element is public value or values for citizens (Morris & Jones, 1999, p.74) or “ability to deliver services and create value” (Bernier & Hafsi, 2007, p.489). Third element of public entrepreneurship is the creation of new role and new organizations (Lewis, 1980⁵). These three elements can be found in the study area as the form of entrepreneurial skills applied in initiating local economic development by village public entrepreneurs.

In Indonesia context, public entrepreneurship is significant for decentralization to be working. Since the year 1999 Indonesia has undergone massive wave of decentralization which provide greater political and administrative power to local governments in Indonesia. One of major background of decentralization in Indonesia was to enable local governments to provide better public services to the community, and this includes local economic development. As the manager of local governments, public entrepreneurs should be able to exploit the freedom/autonomy to achieve the basis goal of decentralization. In the other hand, as it elaborated above, certain degree of autonomy is required for entrepreneurial behavior, because autonomy allow public managers to set goals and decide how to achieve them within defined constraints (Quinn, 1985, p. 83⁶; Sathe, 1989, p.23⁷). Even though, excessive use of freedom or autonomy that leads to misuses should be avoided.

Further, Indonesia established a guideline for every public entrepreneur that may take up the challenge to do the betterment of the public organization. This guideline is Law No. 23 Year 2014 about local government in which it also regulate about the local government innovation in chapter xxi article 386 – 390. With the level of corruption is rocketing. Every possible misuse of public resources and public monies are under scrutinized of The Indonesia Corruption Eradication Commission (KPK) hence many high rank public officials are being charged of doing corruption and are now under the investigation of KPK. This has caused fear and reluctance from public officials who planned to exercise their public entrepreneurial skills. The article 389 Law 23 Year 2014 aims to protect any public entrepreneurs who initiate innovation in local governments.

In this research, we applied the latest concept of public entrepreneurship according to Klein (2010)⁸. We also took into account the available literature review on public entrepreneurship by other scholars. Klein argues that there are three ways of identifying the characteristics of public

1 Currie, G., Humphreys, M., Ucbasaran, D., & McManus, S. (2008). Entrepreneurial Leadership in The English Public Sector: Paradox Or Possibility? *Public Administration*, 86(4): 987-1008.

2 Morris, M.H., & Jones, F.F. (1999). Entrepreneurship in Established Organizations: The Case of The Public Sector. *Entrepreneurship Theory and Practice*, 24 (1): 71-91.

3 Rainey, H. G. (2009). *Understanding and Managing Public Organizations* (4th ed.). San Francisco, CA: JosseyBass.

4 Kearney, C., Hisrich, R.D., & Roche, F. (2007). Facilitating Public Sector Corporate Entrepreneurship Process: A Conceptual Model. *Journal of Enterprising Culture*, 15 (3): 275-299.

5 Lewis, E. (1980). *Public Entrepreneurship: Toward A Theory of Bureaucratic Political Power. The Organizational Lives of Hyman Rickover, J. Edgar Hoover and Robert Moses*. Bloomington, IL: Indiana University Press.

6 Quinn, J. B. (1985). *Managing Innovation: Controlled Chaos*. *Harvard Business Review*, 63(3): 73-84.

7 Sathe, V. (1989). *Fostering Entrepreneurship In The Large, Diversified Firm*. *Organizational Dynamics*, 18(1): 20-32.

8 Klien, Peter G., Mahoney, Joseph T., McGahan, Anita M., Petilis, Christos (2010). *Toward a Theory of Public Entrepreneurship*, *European management Review*(7): 1-15

entrepreneurship.

First, public entrepreneurs have the ability to identify opportunities which are normally unseen by other non-public entrepreneurs. The identified opportunities will include aspect such as what did Kirzner (1973)¹, Lewis (1980), Shane (2003)², and Ostrom (2005)³ argue that public entrepreneurs have the ability to update or alter the old mechanisms by combining and optimizing the allocation of existing resources to the public interest. Further, opportunities could also in the forms of creating public value or community values ((Morris and Jones, 1999, and BernierandHafsi2007). In identifying the opportunities, public entrepreneurs will consider their personal vision in policy making to mobilize and maintain energy and community activities. Indonesian Law Number 23 Year 2014 also required that every innovation should include community participation. Hence, public entrepreneurial vision is reconciled with citizen participation (Bellone & Goerl, 1992⁴).

Second, public entrepreneurship is also characterized by judgmental decision making about any initiatives (or investments as termed by Knight (1921)⁵). Further, Hirschman and Doering (1982⁶) argued that public entrepreneurs must consider the uncertainty of future gains and losses, including the uncertainty of behavior, resources, and the efficiency of the policy. To be able to make the right judged decision, public entrepreneurs need the ability to calculate and take risk. Taking risk is courage in implementing policy options to take advantage of opportunities even though it was risky; (Bellone and Goerl 1992, Schneider 1995, and Currie et.al 2008). Parallel to that, giving freedom to the community to participate in the initiating local economic development programs for example; to some extent provide the public entrepreneurs with certain degree of legitimacy of the decision taken. This way, the public entrepreneurship character of bold risk taking is reconciled with democratic values –community participation. In taking risk, public entrepreneurs will have to regard the stewardship. Stewardship means is the use of the trust of the public as a basis for responsible in achieving short-term goals and long term for the benefit of society; (Bellone and Goerl 1992) Public entrepreneurs vision need to correlate with both short and long goal to achieve the community benefit. Another element of public entrepreneurship is autonomy. Autonomy is defined as independent idea development and implementation (Diefenbach, 2011) and it is needed for public entrepreneurship to make the right judged decision. However, in developing countries such as Indonesia, the right judged decision made by public entrepreneurs is not systematically and procedurally accepted or even necessarily politically accepted. In a country of standard operating procedure (SOP), the right judged decision does not equate innovation. This is reflected by the recent unfortunate event of Dahlan Iskan, the president director of State Electricity Company (Perusahaan Listrik Negara/PLN). His right judged decision as one of prominent public entrepreneurs in Indonesia to build electricity generator central in several points to solve the problem of energy lack were considered as procedurally wrong and by doing so, he misuse the public monies. To avoid this, public entrepreneurs need to conduct high level of accountability. That will make effective resource allocation, lower transaction costs and increase the flexibility of the decision, and to facilitate the search for new alternatives; (Bellone and Goerl 1992).

Third, as the core value of entrepreneurship, innovation is also the main characteristic of public entrepreneurship (Klein et al. 2010). Hence, to innovate is one of major skills need to be mastered by public entrepreneurs. In public organization innovation is emphasized on the change of the political system of the organization. Further, innovation could also involve Finding new ideas, designs, and implements to maximize the effectiveness and productivity of resource use; (Schumpeter 1934⁷,

1 Kirzner, I. M., 1973, *Competition and Entrepreneurship*. Chicago, IL University of Chicago Press.

2 Shane, S., 2003, *A General Theory of Entrepreneurship: The Individual Opportunity Nexus*. Cheltenham, UK: Edward Elgar.

3 Ostrom, E., 2005, *Unlocking Public Entrepreneurship and Public Economies*, Helsinki, Finland: EGDI

4 Bellone, C. J., & Goerl, G. F. (1992). Reconciling Public Entrepreneurship and Democracy.

Public Administration Review, 52(2): 130–134.

5 Knight, F. H., 1921, *Risk, Uncertainty and Profit*. Boston, MA Houghton Mifflin.

6 Hirschman, A. O., 1982, *Shifting Involvements: Private Interest and Public Action*. Princeton, NJ: Princeton University Press.

7 Schumpeter, J. A., 1934, *The Theory of Economic Development: An Inquiry Into Profits, Capital, Credit, Interest, and The Business Cycle*. Cambridge, MA Harvard University Press.

Roberts, 1992¹, Osborne and Gaebler, 1992) Following Bellone & Goerl (1992) argument, in innovation, confidentiality is the ability to keep the entrepreneurial intuition and knowledge of the secret; however, public entrepreneurs need to reconcile this confidentiality with openness with regard to the selection of certain policies over others (Bellone and Goerl 1992).

4.2 Local economic development

Local economic development refers to the process in which local governments or community based (neighborhood) organizations engage to stimulate or maintain business activity and/or employment. The principle goal of local economic development is to stimulate local employment opportunities in sectors that improve the community, using existing human, natural and institutional resources (Blakely 1994: xvi). Other scholars also focus on the role of local government, such as Zaire & Sara 1993: 129 who argued that local economic development is essentially a process in which local governments and/or community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area. Further, Canzanelli (2001:9) highlights the role of local actors, he argued that local economic development is a process where the local actors shape and share the future of their territory. Local economic development is defined as a participatory process that encourages and facilitates partnership between the local stakeholders, enabling the joint-design and implementation of strategies, mainly based on the competitive use of the local resources, with the final aim of creating decent jobs and sustainable economic activities.

Those three definitions of local economic development above have one common feature, that local government is the home for local economic development, it is the champion for all local economic development initiatives. Hence, the role of local government in local economic development is significant (Gordon, 2012)², and as the lowest level of government administration under the decentralization, village government also has significant value to it. According to Bennett & McCoshan, 1993; Helmsing, 2002d, 2003) local governments have five (5) roles to play: (1) directly providing public service which potentially be a source of economic opportunities (Gordon 2012, p.2); (2) Local government must provide public services that are not inhibit local economic development and competitiveness; (3) local government is responsible to reduce the uncertainties for investment and prevent social conflict as the result of negative externalities, and to this local government should regulate the territorial development through physical and land use planning; (4) local government should have the “capacity to convene” other social actors to define the local public interest and direction of local economic development; (5) local government should facilitate other actors to make a more effective contribution to solve local economic development problem.

Local economic development encompasses various strategies or interventions. According to Egziabher & Helmsing (eds.), 2005³ local economic development cover three areas of intervention: (1) enterprise or business development, (2) community economic development which evolve around livelihood strategies and (3) locality development which focus on physical and built environment, infrastructure and territorial organization. In less developed countries such as Indonesia, the strategy for local economic development has to align with the poverty reduction policy. As Blair & Carroll (2009, p.225) argue that poverty reduction is an economic development goal. Local economic development strategies which directed to antipoverty policies will include programs such as productivity improvement through education, training, behavioral changes; direct income support (both in-kind and cash transfer); and employment guarantee plan.

In this research, the discussion of local economic development strategies will be based on proposed by Bar-El, Raphael (2008)⁴ which in nature is rural development programs. The strategies include (1) fighting poverty; (2) modernization of traditional agriculture and (3) new opportunities for

1 Roberts, N. C. (1992). Public Entrepreneurship and Innovation. *Policy Studies Review*, 11(1): 55-74.

2 Gordon, Gerald L. (2012) *Reinventing Local and Regional Economies*, CRC Press, Taylor & Francis Group

3 Egziabher, Tagegne G & Helmsing, A.H.J (Bert) (eds.) (2005), *Local Economic Development in Africa: Enterprises, Communities and Local Government*. Shaker.

4 Bar-El, Raphael (2008) *Regional Development and Conflict Management: A Case for Brazil*, Conflict Management, Peace Economics and Development Volume 8, Emerald.

non-farm employment. Fighting poverty program should aim at increasing productivity, and increasing productivity in rural area such as Sukalaksana will involve the development in the rural agriculture activities and rural non-farm activities. The increase in productivity provides higher levels of income. Further, non-farm activities with an acceptable level of salary will encourage labor motivation and the decrease of unemployment (Bar-El, 2008, p. 47).

5 Discussion: The role of public entrepreneurship in enhancing the local economic development

Having understood the characteristic of public entrepreneurship and public entrepreneurs, this section is dedicated to analyses how public entrepreneurship and public entrepreneurs in Sukalaksana village exercise their entrepreneurial characteristics in directing public resources in a creative, independent, and innovative way in order to increase both the productivity of the area and also the efficiency of the village government. The discussion will evolve around the three characteristics (1) the ability to identify opportunities to eradicate poverty; (2) the ability to make the judgmental decision to find opportunity of non-farm employments; (3) the ability to innovate in the modernization of agriculture

In 2012, Sukalaksana village was awarded as the best village in Garut Regency. Sukalaksana village is located in Samarang Sub-District, Garut Regency which has abundant potential natural resources such as water, fertile large paddy field and beautiful landmarks. Garut is also the center of sundanese culture. Highly valued local culture such as local game (piting), traditional music (karinding and gamelan), traditional martial arts, craft (folded bag). Most of the land in Sukalaksana village is used as productive land for agriculture and vegetables. Vegetables are the main commodity of agricultural product in the village Sukalaksana apart from paddy. Sukalaksana is able to produce 12tons vegetable per day during harvest period which is distributed to the surrounding area of Bekasi, Jakarta, Bandung. Sukalaksana village has good livestock and fisheries potential, additionally; there are potential food industry and non-food industry such as metal industry, clothing industry and textile industrial and electric services.

5.1 Identifying opportunities to eradicate poverty

Public entrepreneurs in Sukalaksana village were able to identify opportunities through three aspects:

- Natural resource endowment aspect, mainly abundant availability of water and beautiful landmark
- Possible cooperation with private sector (Chevron Corporation) through Corporate Social Responsibility Programs and also with a Non-Governmental Organization (PUPUK) which provides advocacy and empowerment support.
- The problem of poverty which should be regarded as the basis of all economic development initiatives as local economic development could also mean provision of essential public services such as education, health and economic empowerment.

Hence from the identification of these three aspects, Public entrepreneurs pioneered in the establishment of cooperation with Chevron Corporation which had CSR program. This cooperation the established were the setting up of Ciburial Tourism Village and with the assistance of PUPUK the villagers were able to exploit the establishment of Ciburial Tourism Village. Tourists activities package were then being set up offered to tourists coming to the village, hence PUPUK provide the villagers with various trainings to match with the need of Ciburial Tourism Village. Villagers learned about managing accommodation, food catering, and other supporting activities for tourism.

Considering those three aspects, public entrepreneurs realized that within the community, there is a potential of local wisdom such as DOUM which stands for Dari (from) Oleh (by) Untuk (for) Masyarakat (community). DOUM which is equate with the term democracy -from people to people by people-became the value that guided the village public entrepreneurs in the process of identifying opportunities and turned those opportunities into policies and programs for the village community. In this way, the source of inspiration for local economic development opportunities could also come from the community. DOUM could serve as a guarantee the community participation in planning,

implementation and the evaluation of local economic development initiatives. DOUM became the new procedure for public entrepreneurs in the village to gather round community participation for any development planning. OS, one of public entrepreneur in Sukalaksana village explained that DOUM is often in a form of informal meetings that take place while people in the village were socializing or meeting over coffee among the community. This will guarantee the bottom up planning development in Sukalaksana village.

Further, one public entrepreneur in Sukalaksana village –WI- elaborated that a proper leader should not only “bijaksana” (“bijak” means wise in English, “sana” means there in English) but also “bijaksini” (“bijak” means wise and “sini” means here in English). He signified that a leader who is “bijaksana” will only emphasize the top down policies-policies without consulting the community, and a leader who is “bijaksini” will focus on bottom up policies which include community participation and aspirations.¹

The cooperation between Sukalaksana village with both private sector (Chevron) and NGO (PUPUK) has resulted in the establishment of Ciburial Tourism Village. The development of Ciburial Tourism village was possible due to the ability of public entrepreneurs in communication skills to win the trust from the private sector and the support from the NGO. Other village surrounding Sukalaksana also have the same natural resources (water) and beautiful landmark, however Sukalaksana village was chosen by Chevron not other villages as the village in which they did their corporate social responsibilities programs. Considering that not all big corporations such as Chevron were willing to run CSR program in a locality, it was then considered a brave effort of the public entrepreneurs in Sukalaksana village to invite and gain trust from Chevron and also win the assistance from PUPUK to prepare the villagers to work together toward the realization of Ciburial tourism village. In an interview, OS argued that the establishment of the Ciburial tourism village was possible because Chevron required community participation and it is fulfilled by Sukalaksana Village with the procedure of DOUM (participation) and bijaksini (bottom up development planning)².

By exploiting the abundant resource of water available in the village, public entrepreneurs in Sukalaksana village created a new village-owned enterprise called BP-SPAMS (Badan Pengelola Sistem Penyediaan Air Minum dan Sanitasi/Management Board of Drinking Water and Sanitation) Karya Laksana. BP-SPAMS Karya Laksana is the village enterprise that manages and redistributes the water across the village and collect small fee that will benefit the enterprise and widen the service area coverage. The village community used to have difficulty in gaining water access despite its availability. That is due the fact that there were no decent water piping from the water source to the household across the village therefore water were wasted. Data collected from the fieldwork showed how BP-SPAMS positively affect the social, economic and financial aspect of the village. In social aspect, there was an increase in the health level (clean & healthy lifestyle/Pola Hidup Bersih dan Sehat). Household in Sukalaksana village will only be allowed to have access to water piping if they also built a toilet for themselves or for a group of maximum 7 households. Hence, public entrepreneurs tried to solve the problem of “open defecation” in the village whilst at the same time increase the level of health. In the year 2014, Sukalaksana village was able to gain 90% Open Defecation Free³ The establishment of BP-SPAMS Karya Laksana showed that public entrepreneurs in Sukalaksana village play their roles in the creation of new role and new organizations (Lewis, 1980).

Those two major initiatives of the local economic development elaborated above were also positively impact on the aspect of education level. Data collected showed that in 2010 (before the Ciburial Tourism Village and BP-SPAMS Karya Laksana were established) there were only 14 people graduated with bachelor degree; this is very low compare to the year 2013 with 121 people bachelor degree graduates. Further, the level of poverty was also decreased, in 2010 there were 27 poor households and in 2013 the number is decreased to 24 poor household. The number of women prone to social and economic deprivation is reduced from 12 in 2010 to 10 in 2013. Even though the impact seemed to be insignificant, it somehow provides a good example of what the initiatives of public

1 Interview with WI, May 4th 2015.

2 Interview with OS, May 11th 2015.

3 Open defecation free means having access to any type of toilet/basic sanitation.

entrepreneurship could do to the betterment of the society. Lastly, data from the village budget in the year of 2014 showed that Ciburial tourism village and BP-SPAMS Karya Laksana contributed to the village-owned revenue with the amount of 42.200.000 IDR that make up about 20% of the total village revenue.

5.2 The ability to make judgmental decision in non-farm employment opportunities

It is evident from the interview that every decision taken by public entrepreneurs in Sukalaksana village has been conducted in a thorough thoughtful way with various considerations such as loss and profit and the period of the benefit will be gained. To establish Sulaksana tourism village, public entrepreneurs weighed all the advantages (such as possible addition of the village revenue) and disadvantages aspect (such as the people doubt about the success of the program) before certain decisions were decided. Comparative studies with other neighbor villages or villages outside Garut Regency such as Sleman Municipality and Gunung Kidul Regency were conducted. The public entrepreneurs were assisted by the surveyor from Chevron to calculate the sustainability of the program by considering the amount of resources (water) availability. They also consider other aspects such as road access, spring water sources, and also the formation and structure of the land. All these considerations were topped by community participation in the consultation meetings.

The establishment of BP-SPAMS Karya Laksana was also based on the consideration such as the location of the spring water source (called as Tegal Lame) in the highest point of the village area which will make it easier for piping and water distribution. Public entrepreneurs also did a trial water service provision to limited number of household. When the trial went well, BP-SPAMS Karya Laksana was then ready to serve all households in the village.

Public entrepreneurs in the village were also taken into account the aspect of efficiency of the program proposed. In the water service provision, MS¹ – one of public entrepreneurs – mentioned that they had the idea to put on water meter to measure the use of the water in the households. This was to prevent the household wasting the water and to order the payment of each household. This payment is needed to guarantee the maintenance of the water provision.

Ciburial tourism village has created non-farm employment particularly for those who non-farm economic activity such arts and crafts products by village community. In detail, public entrepreneurs established programs to enhance the crafter skills and to market the products. PUPUK has helped the community to create a tourism packages to provide tourists with various options of activity that include activity of arts and crafts with the villagers. Further to enable non-farm employment opportunities to reap its best result, public entrepreneurs aim at increasing the infrastructure access, public transportation and communication and training provided for the community involved and product promotion.

PUPUK helped the community to provide trainings of creative business improvement which was hoped to increase the production of livelihood in the Sukalaksana village. Public entrepreneurs also help promote the products of business (enterprise) community using their own networks and friends circles. Therefore, public entrepreneurs encouraged the community to create the product competitiveness of the village. To conclude, public entrepreneurs in Sukalaksana village significantly influenced the improvement of community-based economic activities, one of strategies in local economic development.

5.3 Ability to innovate in agriculture modernization

The ability of public entrepreneurs in Sukalaksana village to create innovation in the modernization of agriculture is reflected in the shifting from conventional agriculture to agro-culture. The reason of this change was the difficulty of planting paddy. Not only the low price of rice when it comes to harvest time (vegetables are valued higher than paddy for about 20%)², but also related to low quality of seedling, pest and changing in weather pattern which cause failure in harvest. Even when farmers had good harvest, the long period to harvest made most of the life of farmers in Sukalaksana village very vulnerable.³ To overcome this problem, farmers were no longer plant paddy

1 Interview with MS on May 4th 2015.

2 Interview with TF in May 9th, 2015.

3 Interview with WI, February 12, 2015.

but vegetable which has less time to harvest and higher price.

Another innovation by public entrepreneurs was the establishment of the farmers' association. The goal of the association is to increase productivity and also the economy scale of the agriculture produce which at the end will improve the welfare of the farmers. To achieve these goals, the association will help its members in finding best quality of seedling and reducing the use of chemical fertilizer and use more organic fertilizer, and also improvement in irrigation. They were also aware of the importance to maintain the sustainability of agriculture land.

5.4 Reconciling public entrepreneurship with democracy values in local economic development

Having analyzed the characteristics of public entrepreneurship and how they applied those characteristic in local economic development initiatives, in this section how public entrepreneur incorporate democratic values in their innovation approach of local economic development in their daily development activity. These democratic values are (1) combining their vision with community participation in identifying opportunities; (2) calculate the risk for greater communal purpose (stewardship) and consider their autonomy in accordance with their accountability; (3) negotiate the requirement of secrecy of the innovation with openness.

5.4.1 Personal vision with participation

As it is discussed above in the section about identifying opportunities to eradicate poverty, public entrepreneurs had regarded the aspect of participation and aspiration from all the member community of the village. Further, Public entrepreneurs in the village level try to fit their vision with the vision of higher level of government (Garut Regency government). But they also have their personal vision toward the village in which they have been living. WI said that his personal vision is to be the "salt" (garam) for the world not "pest/bugs" (gurem) or in other word he wanted to be useful and meaningful for other human beings and the community.¹ Further, OS mentioned that he had a vision of Sukalaksana village to be self-sufficient village independent from the support from the regional or national government.² Interviews with the members of the community revealed that the community understood the personal vision of the public entrepreneurs and that made the community were willing to contribute to achieving the ultimate goals³. Further, EC said that the public entrepreneurs used a humanist approach⁴ when communicating their vision and communicate with the community. Hence, the community was willing to participate in finding solution to any problems⁵ and the public entrepreneurs gained confidence in executing their initiatives.⁶

5.4.2 Risk taking and autonomy with stewardship and accountability

Public entrepreneurs in the Sukalaksana village were willing to bear the risk of every decision or policy taken. The risk could be both material (such as the use of personal fund to finance the proposed initiatives) and immaterial (such as social sanction from the community). CS mentioned that in 2008, the community was still reluctant with the ide of Ciburial tourism village, he had never given up and in 2009 the development of Ciburial tourism village was started.

As a method to guarantee the accountability of public entrepreneurs, they conduct great meeting inviting all members of the community every 3 months. WI claimed that he provide accountability to the community in written through the village budget (revenue and spending)⁷

Public entrepreneurs in Sukalaksana village claimed that their innovation was aiming at one purpose that is the benefit of every innovation for achieving the welfare of the community in longer term⁸. This is called as stewardship.

Even though, autonomy is one of the requirements for public entrepreneurs to enable them to be innovative. They understood autonomy as giving certain degree to the member of the community who

1 Interview with WI, May 4th, 2015.

2 Interview with OS, May 11th, 2015.

3 Interview with WA (member of the community), May 9th 2015.

4 Interview with EC (informal leader, May 30th, 2015.

5 Interview with IR (member of the community) May 15th, 2015.

6 Interview with WI, May 4th, 2015.

7 Interview with WI, May 4th, 2015.

8 Interview with MS, May 8th 2015.

wants to make contribution to the development of the village. As WI explained that certain level of autonomy for the community is needed so that people were willing to implement the decision or policy has been taken.. Although sometimes, there are people who do not work in accordance with the public entrepreneur's wishes and causing a loss of resources, but by doing this, they are actively participate in the village development.

5.4.3 Confidentiality with openness

There are two approaches found among public entrepreneurs in Sukalaksana village Confidentiality and openness. First approach is for those who thought that public entrepreneurs need to be always vigilant and keep the secret of such innovations. Second approach it that to be innovative a public entrepreneurs need to be more open in terms of the innovative ideas.

6 Conclusions

This research has showed one example of best practice in the application of the concept of public entrepreneurship in the village level, the lowest level of government. It is evident from the finding that the role of public entrepreneurs in Sukalaksana village in the local economic development is significant. Formal and informal village leaders with characteristic of public entrepreneurship contribute to the efficiency of using resources and the increase of productivity in the community. The public entrepreneurs were also able to reconcile public entrepreneurship values with democratic values for greater public interest in local economic development.

7 Recommendation

Law Number 23 year 2014 about local government gives legal protection to public entrepreneurs who were failed in their innovation. It is guaranteed by this law that civilian state apparatus (or public entrepreneurs in this research) cannot be sued and convicted. To prevent the failure of the innovation, public entrepreneurs need to incorporate more democratic measures as argued by Bellone and Goerl (1992).

It is evident from this study that the public entrepreneurship (entrepreneurs) role in the development of the village. Future research on wider and higher level of government (such as provincial, city or regency) level will be an important contribution to the betterment of the government.

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