Entrepreneurial Dynamics and Typology in Rural Development

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ABSTRACT

The term “rural entrepreneurs (RE)” has become a social and rural development factor in developing countries, particularly Indonesia. This research aimed to analyze the dynamics of rural entrepreneurship and describe the typology of entrepreneurship. This research was conducted in three typologies of villages, such as (1) agricultural industry, (2) agritourism, and (3) traditional area, in Malang Regency, East Java, Indonesia. Data were collected through village observation, in-depth interviews with 90 informants, and Focus Group Discussions (FGDs). The dynamics of rural entrepreneurship were affected by various factors: (a) politics, (b) social networks, and (c) economics. Furthermore, three typologies of RE were identified: (1) political-based RE, (2) economic asset-based RE, and (3) social network-based RE. Meanwhile, entrepreneurs could accumulate rural resources, comprising local government and social-economic networks. In summary, the primary keys to encouraging social development in rural areas were providing access to economic assets and social networks and boosting entrepreneurial spirit.

Keywords: Dynamic; Rural development; Rural entrepreneur; Social development; Typology

INTRODUCTION

Entrepreneurial dynamics is often associated with identifying opportunities and discovering and developing new business ventures, as reported by several previous studies (Audretsch & Keilbach, 2005; Bailey, 2012; Kilkenny, 2006; Nordberg, Mariussen, & Virkkala, 2020; Nwankwo & Okeke, 2017; Ruef & Lounsbury, 2015) regarding entrepreneurial dynamics by pursuing various commercial goals that may conflict with moral behavior. The emergence of more moral forms of entrepreneurship typically exhibits a clear agenda for better outcomes that focuses on “innovation and efficient use of resources to explore and utilize the opportunities, thereby fulfilling social needs sustainably” (Asuquo & Enya, 2020; Nordberg et al., 2020; Sahoo & Mondal, 2020; Squazzoni, 2009). Meanwhile, the term entrepreneurship refers to a method that provides solutions to various social issues to create economic, social, and environmental values (Al-Dajani, 2013; Escandón-Barbosa et al., 2019; Gandhi & Raina, 2018; Maksum et al., 2020; Prodanov, 2018; Snyder, 2008). In general,
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research on entrepreneurship emphasizes the discussion concerning rural development, consisting of individual, institutional, marketing, and organizational management aspects. However, explicit attention to the role of service-providing entrepreneurs in this discussion has been limited (Adro & Franco, 2020; Cucari, Wankowicz, & Falco, 2019; Mottiar, Boluk, & Kline, 2018), although several authors have emphasized the importance of entrepreneurship and rural development comprising the role of the individual, product diversity, and contribution to the overall product goals (Galvão, Mascarenhas, Marques, Braga, & Ferreira, 2020; Komppula, 2014; Liang & Paul Dunn, 2014). In addition, the role of entrepreneurs as a contributor to rural development is a less-discussed area of research. Prior research by Korsgaard et al. (2015) identified the role of entrepreneurs and village development only at the stage of involvement and development of rural development without further discussion at a later stage highlighting the contribution of the entrepreneurs. As highlighted in the previous study by Dhwanto et al. (2020), the role of the entrepreneurs as a stakeholder has contributed to goals and competitiveness, having only two subtitles: competitive microenvironment and supporting factors and resources.

Entrepreneurship refers to developing new ventures that contribute to the development of goals by creating competition, cooperation, specialization, innovation, investment, growth, risk-taking, productivity, and others. However, among many contributions, problems and challenges are inseparable for an entrepreneur. For example, it was reported that owners and managers did not have the skills, expertise, or resources in most small businesses in rural areas (Futemma et al., 2020; Mahon & Hyryläinen, 2019; Nwankwo & Okeke, 2017) and that entrepreneurship in rural areas could not recognize and neglect about the wider old business, resulting in the fact that failure or challenges were only a consequence of their actions. However, the role of entrepreneurs is deemed necessary in ensuring that stakeholders’ expectations are fully met. Particularly in the agricultural sector, rice farming is significantly influenced by individual performance characteristics and entrepreneurship of farmers; farmers could enhance their quality related to farming motivation and entrepreneurial abilities, as well as be capable of maximizing the performance of rice farming (Bao, Dong, Jia, Peng, & Li, 2020; Imelda, Hidayat, & Aritonang, 2022; Matarrita-Cascante & Suess, 2020).

The relationship between the role of entrepreneurs (as part of economic institutions) and village development in previous research was only discussed in a partial aspect. Entrepreneurs (as business actors) serve as a mechanism for creating development in rural areas characterized by organization (Gaddefores, Korsgaard, & Ingstrup, 2020). Elaborating further, Moore and Westley (2011) described entrepreneurship as individual activities, whereas Korber & McNaughton, (2018) defined entrepreneurs as having tough characters. In addition, other studies unveiled that entrepreneurs played complementary roles in strategies for building coalitions, designing decision-making forums, and management (Meijerink & Huijtema, 2010), as well as having special abilities or entrepreneurial competencies (Ataei, Karimi, Ghadermarzi, & Norouzi, 2020). Moreover, entrepreneurship relates to the capability of mobilizing ideas, resources, and support from external sources for the benefit of the rural community (Richter, 2019) and having a profound impact (Carayannis, 2020), driving
transformation and contributing to the sustainable development of rural areas (Castro-Arce & Vanclay, 2020), considering the direction of development of rural destinations (Mottiar et al., 2018), and engaging with the social system (Korsgaard & Anderson, 2011). Furthermore, both entrepreneurs and entrepreneurship affect social change (Galappaththi, Galappaththi, & Kodithuwakku, 2017), social innovation (de Fátima Ferreiro, Sousa, Sheikh, & Novikova, 2021), and dynamics of change (Lamberte, Llanto, Meyer, & Graham, 1994). Sustainable change contains hope for the availability of economic, social (Yang, Cai, & Slizitas, 2010), political (Sievert et al., 2022), and environmental resources for future generations (Liu et al., 2022). Rural entrepreneurs must consider how agriculture can preserve ecological conditions, drive economic growth, and support political networks in the local community. Some of these aspects (economic, social, political, and environmental) must be interlinked, thereby strengthening rural entrepreneurs in their respective interests. Following the theory cited by Cochran (1965), entrepreneurship is closely related to sociological aspects. Moreover, the actual economic development emphasizes the role of cultural values in determining the supply of entrepreneurs. Several points under Cochran’s theory are entrepreneurs as a personality of community capital, personality of capital as a derivative of social conditioning, expectations of the role of entrepreneurs, types of parenting and schooling, and the influence of the intrinsic character of the executive.

The typology of entrepreneurship is based on the type of business, business sector, characteristics of entrepreneurs, and business linkages with various sectors. However, there is no description or typology of rural entrepreneurs (RE) based explicitly on economic assets, politics, social relations, and the dynamics of rural entrepreneurs in rural development. Therefore, this research aims to analyze the dynamics of rural entrepreneurship and describe the typology of entrepreneurship.

RESEARCH METHOD

Research Type

This research employed a qualitative method, aiming to understand field phenomena representing relevant concepts following studies or theories of entrepreneurship and social development in rural areas of Malang Regency. A qualitative method refers to the understanding that cannot be quantified (counted). Qualitative research is characterized by several points: (a) immature concept due to the lack of theory and previous research; (b) the idea based on the existing theory can be inaccurate, imprecise, incorrect, or biased; (c) there is a need to understand, interpret, predict and describe phenomena and develop theory; and (d) the nature of the phenomenon may not correspond to a quantitative measure (Creswell, 2014; Denzin & Lincoln, 2018; Morse, 1991).

This research was conducted in three villages in Malang Regency, possessing a variety of potentials for tourism, agriculture, animal husbandry, and other businesses; highly potential natural resources (topography, soil types, and others); and a community with a unique diversity of activities in managing local natural resources. The selected locations comprised (1) agricultural industry (Kucur Village), (2) agritourism (Gubugklakah Village), and (3)
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traditional area (Bambang Village) in Malang Regency, East Java, Indonesia. This research was conducted for three years, from 2019 to 2022.

Data Sources

Data sources in this research included business actors (farmers, breeders, entrepreneurs, private sector, and local government concerned) and all parties involved in social, political, economic, and environmental activities. Other data sources from 90 figures who mastered the research topic at each location were determined by purposive sampling (intentionally), as illustrated in Table 1.

<table>
<thead>
<tr>
<th>No.</th>
<th>Informant Rank</th>
<th>Informant Type</th>
<th>Total (Person)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Local government (village heads and village officials)</td>
<td>Key informant</td>
<td>15</td>
</tr>
<tr>
<td>2.</td>
<td>Heads of Village Council (BPD), Family Welfare Movement (PKK) groups, farmer groups, rural associations, youth assemblies, community leaders</td>
<td>Supporting informant</td>
<td>20</td>
</tr>
<tr>
<td>3.</td>
<td>Rural entrepreneurs (farmers, ranchers, farm laborers, traders, poultry entrepreneurs, coffee entrepreneurs, and agricultural middlemen)</td>
<td>Supporting informant</td>
<td>40</td>
</tr>
<tr>
<td>4.</td>
<td>Religious and traditional leaders, officers of forestry, and various parties mastering the research topic</td>
<td>Supporting informant</td>
<td>15</td>
</tr>
</tbody>
</table>

TABLE 2. CHARACTERISTICS OF AGE, GENDER, AND OCCUPATION OF INFORMANTS IN THE THREE VILLAGES

<table>
<thead>
<tr>
<th>No.</th>
<th>Informant Characteristic</th>
<th>Total (Person)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>&lt;30 years</td>
<td>6</td>
<td>6.67</td>
</tr>
<tr>
<td></td>
<td>30-50 years</td>
<td>43</td>
<td>47.77</td>
</tr>
<tr>
<td></td>
<td>&gt; 50 years</td>
<td>41</td>
<td>45.56</td>
</tr>
<tr>
<td>2.</td>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>54</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td>3.</td>
<td>Occupation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Agriculture and non-agriculture</td>
<td>38</td>
<td>42.22</td>
</tr>
<tr>
<td></td>
<td>Agriculture, non-agriculture, and labor (farming or livestock)</td>
<td>15</td>
<td>16.67</td>
</tr>
<tr>
<td></td>
<td>Agriculture and labor (farming or livestock)</td>
<td>8</td>
<td>8.89</td>
</tr>
<tr>
<td></td>
<td>Agriculture</td>
<td>11</td>
<td>12.22</td>
</tr>
<tr>
<td></td>
<td>Labor (farming or livestock)</td>
<td>8</td>
<td>8.89</td>
</tr>
<tr>
<td></td>
<td>Labor (farming or livestock) and non-agriculture</td>
<td>6</td>
<td>6.67</td>
</tr>
<tr>
<td></td>
<td>Non-agriculture</td>
<td>4</td>
<td>4.44</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>90</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

In its mechanism, extracting informant data required a lengthy time as it was related to implicit information. Upon completing the extraction, an abstract was constructed, and various statements conveyed by the informants were revealed in more depth. In the final step,
all information regarding the role of entrepreneurs in rural development in Malang Regency was explored. Table 2 lists the characteristics of age, gender, and employment status of the 90 informants.

**Data Collection Techniques**

Data were collected through observation, in-depth interviews, and Forum Group Discussions (FGDs).

1. Various phenomena, problems, and needs of business actors and any changes in each research location were observed.
2. In-depth interviews were focused on critical informants, including people who knew the history of the development of land-cultivated objects, initially unnoticed by the community and naturally cultivated, later becoming the central point of commercial fields for village or rural residents. The key informants also included the surrounding community, who fully understood the strategies of farmers, entrepreneurs, the private sector, and the government in accessing various natural resources, leading to alterations in each studied village.
3. FGDs were conducted with business actors and agricultural entrepreneurs in each village. These FGDs aimed to obtain an overview of the entrepreneurs’ role in rural development.

**Data Analysis Techniques**

The interactive model proposed by Miles, Huberman, and Saldana was employed to analyze the data, encompassing three steps: (1) condensing data, (2) presenting data, and (3) drawing conclusions and verification. Data condensation refers to selecting, focusing, simplifying, abstracting, and transforming data (Miles, Huberman, & Saldaña, 2014). Figure 1 illustrates the interactive model.

![Interactive Model](image)

**FIGURE 1. INTERACTIVE MODEL BY MILES, HUBERMAN, AND SALDANA (MILES ET AL., 2014)**

Figure 1 demonstrates three research processes: data analysis through data condensation, data display in matrices, and conclusion drawing and verification.

**Propositions**

Following the research goals, several propositions were compiled and tested for validity.

1. The dynamics of RE depends on ownership of and access to social, economic, and political assets.
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2. The typology of entrepreneurs is considered capable of utilizing all or at least three assets: (1) typology of entrepreneurs with social, economic, and political assets and an entrepreneurial spirit; (2) typology of entrepreneurs with social, economic, and political assets; (3) typology of entrepreneurs with social and economic assets; and (4) typology of entrepreneurs with only economic assets.

RESULTS AND DISCUSSION

Dynamics of Development of Rural Entrepreneurship in Indonesia

The dynamics of entrepreneurial development in Indonesia has been inseparable from various aspects and periods, starting from the Old Order, New Order, Reform, and the present (2022), as described in Table 3.

| TABLE 3. VARIOUS ASPECTS OF RURAL ENTREPRENEURSHIP IN VARIOUS PERIODS (REGIME) |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1. Entrepreneurship booster | National policy and food production | Rural development | Entrepreneurial institutions (economic institutions) | Liberalization | Based on the country to the village and individual |
| 2. Nature (actor) | National elite and limited | National elite and spread to the villages | The local village spread to the village level | Local based, spread to the village level, individual | Based on the country to the creative individual (village) |
| 3. Typology | Plant manager (technical skill) | Economic state manager (former plantation) | Local (village) cadres, state via the village | Multiple, spontaneity (independence), independent | Based on the central policy of the local government and local creativity |

Table 3 presents the development, indicating trends from time to time in both aspects of the driving force of entrepreneurship and the nature or actors and typology of entrepreneurial development starting from state domination (centralistic) to the village-level (decentralistic or regional autonomy) implementation per individual entrepreneur. Development overcomes poverty, powerlessness, and inequality (Dhewanto et al., 2020). During the centralistic era, development was actualized through industrialization and commercialization between developed and developing countries, in which all forms of centralized policy were limited by the government elite (Old Order), including food policy that prioritized production quantity without regard to quality and the needs of the people. The centralized policy focuses on maximizing production at the central level (Achjar & Panennungi, 2010; Antlöv, 2003). Complexity, handling scale, and higher dependence on communication allow the development of rural local potential to be hampered (Dante, 2017; Pratama et al., 2021).

Furthermore, the centralized policy eventually shifted to decentralization, enabling each region to make policy arrangements through the local government. Decentralization does not
mean weakening the role of the central government but rather strengthening it by responding to the regional potential, predominantly rural areas. In line with the results of prior research (Dante, 2017; Pratama et al., 2021), the effectiveness of local government is supported by central government mechanisms, highlighting the setting of entrepreneurial potential according to the character, resources, and potential of the village (Yin, Chen, & Li, 2022); for example the phenomenon of tourist villages, arts-culture villages, and villages with other non-agricultural businesses. Since decentralization has been enacted, there has been a shift in the definition of development to a redistribution of growth with an approach to the basic needs of the community, requiring further analysis of economic development (Yin et al., 2022), human resources, infrastructure development, and projected environmental conditions for village and inter-regional development programs (Feisali & Niknami, 2021; Fuller-love, Midmore, Thomas, & Henley, 2006; Rădulescu, Marian, & Moica, 2014).

The assessment of regional rankings is expected to describe the development in a particular area by identifying positive and negative transformation trends, comparing the level of stability with other regions, and assessing the effectiveness of regional management. In addition, proper management plays a vital role in ranking regions based on established criteria to analyze economic development, human resources, infrastructure development, and environmental conditions. Hence, development effectiveness is adjusted to the ability of various concerned parties or multi-disciplines to identify, control, and transform opportunities into sustainable entrepreneurship (Nugroho et al., 2021; Purnomo, 2020). The ranking of regional development is inseparable from the roles and contributions of many regional actors to build innovation systems through diverse knowledge and skills (Haugh & Talwar, 2016; Lang & Fink, 2019; Tellman, Eakin, Janssen, de Alba, & Turner, 2021). In this case, the development of each region also provides opportunities for community development, especially for each actor or individual practicing entrepreneurship.

Regional and community development serve as a process based on initiative, creativity, and independence, along with government activities to enhance the concerned community’s social, cultural, and economic conditions to become the integrity of the nation’s progress. The process is characterized by essential elements, such as (1) community participation to improve their lives based on their strengths and abilities and (2) services and technical assistance from the government to generate initiative, along with determination to help oneself and willingness to help others. Thus far, in every sustainable development process, local stakeholders provide the participating community with a foundation of sustainable principles (social equality, economic prosperity, and ecological sustainability) (Kitchen & Marsden, 2009; Ley, 2017).

This process was actualized in plans and programs, and their implementation was based on “empowerment” through guidance, coaching, and technical assistance to foster self-reliance and identity as human resources with the strength and ability to fight for their quality of life. Empowerment could positively affect behavior change, development, and contribution in the community (Alsop, Bertelsen, & Holland, 2005; Wilmsen et al., 2012) through development communication between elite governments as policymakers and the rural
community as the object of development (Haji, 2021). Therefore, the results of case studies from the three villages unveiled variations in development communication between entrepreneurial drivers and each actor’s role, forming a typology for each village based on the performed business, as displayed in Table 4.

**TABLE 4. ENTREPRENEURSHIP DRIVERS, BRANDING, AND THE ROLE OF EACH VILLAGE**

<table>
<thead>
<tr>
<th>Village</th>
<th>Entrepreneurship Driver</th>
<th>Role (Actor)</th>
<th>Branding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Non-government or external: Perhutani, universities, Department of Agriculture, Department of Tourism, SEMBADA, Republic of Independent Farmers (RTM)</td>
<td>Non-government or external: access to downstream subsystem innovation (agricultural processing and agritourism)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Individuals: middlemen, farmers, wood craftsmen, and contractors (carpenters and coolies)</td>
<td>Individuals: access to markets (oranges and vegetables) and agricultural and non-agricultural employment</td>
<td></td>
</tr>
<tr>
<td>2. Gubugklakah</td>
<td>Local government through BUMDES</td>
<td>The village government actively supported village entrepreneurship.</td>
<td>Agritourism (apples and Bromo Tourism)</td>
</tr>
<tr>
<td></td>
<td>Non-government or external: Ministry of Public Works and Public Housing (PUPR), Perhutani, Department of Agriculture, Department of Tourism, universities, Tourism Village Institutions or Ladesta</td>
<td>Non-governmental or external: forming a tourism institution, accommodating the people of Gubugklakah Village for the adoption of tourism agriculture livelihood innovations, access to arable land or komplangan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Individuals: farmers, traders, and middlemen</td>
<td>Individuals: creating jobs for farm workers and housewives as well as marketing agricultural products (apples and vegetables)</td>
<td></td>
</tr>
<tr>
<td>3. Bambang</td>
<td>Village government elite (village heads to hamlet chiefs) through Village Fund Allocation (ADD)</td>
<td>The village administration participated in managing the business and actively supported village entrepreneurship.</td>
<td>Traditional area</td>
</tr>
<tr>
<td></td>
<td>Village non-government or external: Ministry of Environment and Forestry (KLHK), Perhutani, farmer groups, Forest Farmers Group (KTH), Sidodadi Cooperative and Sumber Abadi, CV or PT Animal Husbandry,</td>
<td>Non-government or external: access to the Cross-Cutting Capacity Development (CCDC) program networks, kopirejo tours, access to information on agricultural innovations, arable land, marketing of cow’s milk, livestock, and poultry products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Individual business actors: middlemen, farmers, wood craftsmen, and sand miners</td>
<td>Individuals: marketing agricultural products and sand mining products and restoring the condition of former sand mining lands</td>
<td></td>
</tr>
</tbody>
</table>
Table 4 demonstrates that the three villages (Kucur, Gubugklakah, and Bambang) were considered agricultural villages, but typology variations existed in each village. Initially, the entire community in the three villages was considered agricultural cultivators, with their respective superiority in agricultural products. In particular, Kucur Village had superior cultivation of orange trees. Gubugklakah Village possessed a superior apple crop. Meanwhile, Bambang Village owned two superior products: coffee and corn. These three villages also had vegetable commodity farming businesses, such as carrots, cabbage, and onions. However, people’s livelihoods have developed to be more diverse. The potential of each village depicted variations in their typology, such as a traditional village, agricultural industry, and agritourism, respectively, with the following description.

**Agricultural Industry**

Kucur Village had potential in the agricultural and non-agricultural sectors, evidenced through the existence of various occupations, such as tour guides for Bukit Jabal and Lembang Gunung Sari (LGS) tours, managers of coffee farming products, breeders, wood artisans, and coolies as well as construction workers. Referring to the rising typology of Bambang Village, the people of Kucur Village had adopted many innovations, which, in this case, were inseparable from several entrepreneurial drivers (government, non-government, and individual actors). Moreover, one of the business actors (ED) in Kucur Village had developed digital marketing-based marketing of agricultural products, which could reduce the high margins of intermediaries to farmers. Likewise, the Mandiri Tani Republic (RTM) successfully conducted experiments on processing coffee into coffee powder and marketed it offline and online. Agriculture 4.0, or the agricultural industry, was actualized through a shift from traditional agriculture to smart agriculture practices, implementing the extensive use of the Internet of Things (IoT), providing future opportunities for farmers (Futemma et al., 2020; Morris & Bowen, 2020). In these agricultural industry-related efforts, the people of Kucur Village understood the strategies of digital-based entrepreneurial sustainability.

**Agritourism**

Gubugklakah Village, with its beautiful landscape and closeness to the Bromo Tengger-Semeru National Park (TNBTS), has great potential for various tourism activities. These include agritourism, homestays, transportation services such as jeeps, and opportunities for locals as tour guides. This potential open up other business opportunities in the trade sector, such as through shops and small stalls along the village’s roads. In addition, a multi-function forest area could serve as a tourism forest, providing occupations for the local community (as tourism guides and culinary business managers). Entrepreneurship developed in this village was considered tourism-based, assisted by the Ministry of Tourism and Creative Economy policy in activating villages through developing tourist villages as a form of commercial urban agriculture. This business model combines agricultural production and tourism with developing agritourism functions from integrated and sustainable economic to environmental and social benefits (Kumalasari, Gutama, & Pratiwi, 2018; Yang et al., 2010).
This study disclosed that the people of the three villages became the embodiment of rural entrepreneurs due to their skills in pursuing the agricultural and non-agricultural sectors. Entrepreneurship in the three villages stemmed from the community's ability to navigate opportunities and adapt them to each village's potential. Thus, village potential development was performed with a commercial orientation to boost the local community's living standard and contribute to village development. The variety of entrepreneurship in the three villages was inseparable from the “actor’s role” concept to develop village potential as a livelihood diversification. Developing entrepreneurship required a network of several actors from farmers, government, universities, and stakeholders to support change activities and entrepreneurship development.

Traditional Farming Village Branding

The heterogeneous livelihoods of Bambang Village’s people were conducted by utilizing abundant natural resources of sandy soil, dairy farms, and timber trees. Through this typology, the people of Bambang Village were considered business actors residing in a comfort zone due to the availability of resources in the forest. However, they tended to be less reactive or spontaneous or categorized as conservative, meaning maintaining the existing traditions and customs rather than prevailing circumstances. For example, sand mining business actors who ignored ecological sustainability focused on making profits. Hence, when a disaster such as a landslide occurred, they made efforts to deal with it. The conservative model assumes a reluctance to innovate, especially in preventing severe challenges, and tends to depend on external funding (Huttunen, 2019; Zhu et al., 2021).

Typology of Rural Entrepreneurs (RE)

The three observed villages had implemented several development programs, including community livelihood activities. The role of actors in entrepreneurship was marked by the involvement of government elites, economic institutions, business actors, and socio-cultural actors, as illustrated in Table 5.

Table 5 exhibits the role of RE based on economics, politics, and social relations, contributing to village development in political, economic, social, and strength aspects to gather resources. Business continuity by entrepreneurs in rural areas depends on the involvement and mutual collaboration between ‘development relations’ and ‘empowerment’ (Fuller-love et al., 2006; Rădulescu et al., 2014; Suastika, 2017) through the identification of values and social problems adapted to local resources (social, economic, and cultural). The details of the actors from the three villages are as follows.

1. Social politics: Village government political elite (village heads, village secretaries, village treasurers, hamlet chiefs, and other village officials)
2. Economy (institution): Head of BUMDES, chair of Village Unit Cooperative (KUD), chair of LMDH, chair of Ladesta, chairs of farmer groups and farmer group associations
3. Social relations: Business actors (orange, apple, corn farmers, and others) and farmers.
### TABLE 5. TYPOLOGY AND ROLES OF RURAL ENTREPRENEURS (RE) IN RURAL DEVELOPMENT

<table>
<thead>
<tr>
<th>Role</th>
<th>Political Asset</th>
<th>Social Asset</th>
<th>Economic Asset</th>
<th>Power to Collect Resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political assets (Village heads to hamlet chiefs)</td>
<td>****</td>
<td>****</td>
<td>****</td>
<td>****</td>
</tr>
<tr>
<td>Economic assets (Capital)</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
<tr>
<td>Social Relations assets</td>
<td>***</td>
<td>***</td>
<td>***</td>
<td>***</td>
</tr>
</tbody>
</table>

**Information:**
* K = Kucur (Agricultural Industry) Village; G = Gubugklakah (Agrotourism) Village; B = Bambang (Traditional) Village
** the more * the stronger the influence

The observation results listed in Table 5 disclosed that the local government held the power to contribute to village development from political, economic, and social perspectives. Following the theory cited by Cochran (1965) entrepreneurship is closely related to sociological aspects, in which actual economic development becomes the emphasis on cultural values roles, determining the supply of entrepreneurs. Some points underlying Cochran’s theory encompass (1) entrepreneurs as a personality of community capital, implying that an entrepreneur is part of society that reflects one’s skills, style, and motives; (2) capital personality as a derivative of social conditioning, in this case, the power of an entrepreneur in his business can play a social role to create an innovation and conditioning in society; and (3) expectations of the role and role of entrepreneurs, and types of parenting and schools and their influence on the intrinsic character of the executive. However, the reality in society depicted that one’s internal factors in growing up were highly influential in parenting and determining life goals in the future. The current decentralized policy gave the village government autonomy in managing its potential to improve its people’s quality of life. Thus, as a local leader, the village government could influence individual entrepreneurs to develop village potential into business opportunities with a socio-cultural approach to the local community. When perceived from the personality of the government elite, the Javanese people tend to follow the decisions of their leaders with the assumption that the leaders, who are informative, creative, fair, motivating, responsible, and compromising on a common consensus, serve as the “fathers” for their community (Muzayyanah, Syahlani, Suranindyah, & Haryadi, 2014; Sutiyo & Maharjan, 2017).

In addition, Table 5 also illustrates how economic institutions contributed to political, social, and economic development in the three villages. Economic institutions in the three villages included (i) BUMDES with an average low contribution. There was a strong level of power to collect resources by BUMDES of Kucur, assisting the farming community in the...
village to access the leased land of BUMDES. Meanwhile, in the other two villages, the average contribution of BUMDES was considerably medium and low because it was limited to distributing subsidized fertilizers, with no participation in other innovations. Furthermore, the second economic institution (ii), forest farmer groups and farmer groups, had an average medium level of contribution in political, social, and economic aspects concerning the daily activities of the farming community to work on taxed land (owned or leased), such as in Komplangan or Tetelan land, owned by Perhutani. There were several strengths in the role of economic institutions, including political, social, and resource gathering in the villages of Gubugklakah and Bambang, because these two villages were projected to sustain their tourism forest development, especially in Gubugklakah. In Kucur Village, access to Perhutani’s arable land was limited because the community considered Komplangan or Tetelan an addition; hence, the cultivated commodities were easily maintained. The third economic institution (iii), Ladesta or tourism village institutions, possessed an average high level of contribution in Gubugklakah Village, considering the entrepreneurial typology of the village, “agritourism,” thereby significantly contributing to the continuity of village development.

In addition to the aforementioned economic institutions (i, ii, and iii), the role and contribution of individual business actors (from the political elite, agricultural entrepreneurs, skippers, and farm workers) were deemed pivotal. Business actors from the political elite could contribute to village development, depending on one’s power to influence the actions and behavior of other entrepreneurs. Meanwhile, business actors, from farmers and skippers, contributed moderately to rural development, as they created job opportunities for other people in their village. For example, farming actors and skippers with more land area and capital ownership required labor from the farm workers to work on the land. However, farm workers did not contribute much to village development due to their tendency to meet the necessities of life for their households compared to operational village programs. The relationship among the business actors led to various typologies and connections, as portrayed in Figure 2.

Figure 2 demonstrates that each typology of RE based on politics, economics, social relations, and an entrepreneurial spirit presented rural development dynamics. Economic- and political-based typologies of RE strongly influenced the development of the village community. Furthermore, the typology of RE based on social relations and an entrepreneurial spirit had less influence on community development due to various roles and contributions to village development. The contribution of this diversity was precisely the impact not prominently visible and was considered to have a significant impact on rural development. Apart from that, in the blue indications, a reciprocal relationship existed between one indicator and another; for example, economic asset-based RE boosted entrepreneurship because, in reality, in rural businesses, anyone with access to significant economic assets had power in all social, economic sectors as well as politics within rural society. Elaborating further, Wiesmann and Hurni (2011) asserted that development efforts and interventions depend on the actions and reactions of the actors.
Livelihood or entrepreneurial activities in the three villages were oriented toward village development, emphasizing the role of RE by involving strategies for action, change, and innovation. This actor approach model comprises four core components: (i) action as a dynamic interaction between activities, (ii) action strategy as a combination of actions, (iii) exposure to activities and means for dynamic (socio-economic) action conditions, and (iv) enforcement of the action meaning in institutions that determine standard values, norms, evaluation of specific actions, and results of actions by actors. Through this approach, as proven in research, every actor or business actor is capable of maximizing actions in dealing with dynamic conditions by implementing the strategies through institutions and further achieving village development (Hidayat, 2017; Hidayat et al., 2019; Prastyo & Hidayat, 2016).

Furthermore, the analysis results revealed that RE positively impacted rural development in various aspects, indicating that a better role of sustainable entrepreneurs could lead to better human resources, integration, and collaboration in village development.
These results are in line with several other studies (Adro & Franco, 2020b; Dhewanto et al., 2020; Escandón-Barbosa et al., 2019; Nwankwo & Okeke, 2017; Richter, 2019; Steyaert & Hjorth, 2006; Yin et al., 2019), emphasizing that the role of entrepreneurs in rural areas could develop the self-quality or competence, finance, networking, and other aspects.

Additionally, better village development is apparent to affect the social structure (village government), leading to the creative spirit, good leadership, innovation, and sound managerial practice in any management sphere (Barraket, Eversole, Luke, & Barth, 2019). The spirit of entrepreneurship in leaders (village heads) or individuals certainly provides a better outcome in developing sustainably and environmentally friendly villages (Kilkenny, 2006; Kitchen & Marsden, 2009; Sahoo & Mondal, 2020). The findings of this study follow Imelda et al. (2022), revealing the performance of task-oriented farmers. Furthermore, the entrepreneurial character of farmers who are work-oriented and optimistic about results would boost the performance of lowland rice farming (Handono & Puspita, 2019; Nugroho et al., 2021; Purnomo, 2018; Purnomo et al., 2021). This notion means that the enthusiasm and role of entrepreneurs in rural development refers to the the result or target orientation. Hence, entrepreneurs’ ability and responsiveness to market challenges and local wisdom have been expected to increase. In addition, this study’s findings align with the entrepreneurs’ attachment to the village as an essential aspect of development commitments. The village community’s feeling emphasized by rural entrepreneurs is essential to the expected outcomes and cooperation (Cucari et al., 2019; Hazarika, 2016; Komppula, 2014; Lang & Fink, 2019).

CONCLUSION

Conclusion

The three observed villages had three key actors who possessed the ability to accumulate these resources: the local administration, successful entrepreneurs, and tourist activists. Briefly, this study discovered that the dynamics of rural entrepreneurship from the New Order era to the Jokowi era exhibited various rural developments, particularly in the direction of RE in the social, economic, political, and social network aspects of entrepreneurship. There were three typologies of RE: (1) political asset-based RE, (2) economic asset-based RE, and (3) social network-based RE. The RE with the most potential to drive social development in rural areas of the three typologies exhibited significant political influence, abundant economic assets, and broad social networks. Therefore, providing access to economic assets and social networks and increasing entrepreneurial spirit become the primary keys to encouraging social development in rural areas.

Recommendations

This study’s findings are expected to apply to the government, NGOs, or other development agents in formulating more effective development strategies for RE. Furthermore, the recommendations for further research include integrating and collaborating internally and externally (entrepreneurs) in rural development in an integrated and
sustainable manner based on local wisdom and creativity. Recommendations for RE contributing to the development must be carried out on various aspects and potential of the village, apart from impacting village development that will indirectly affect sustainable business development. In addition, future researchers are encouraged to explore the phenomenon of business actors in rural areas by implementing the existing entrepreneurial theories (by Weber, Schumpeter, and others).

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Entrepreneurial Dynamics and Typology (Handono, Hidayat, Purnomo, and Toiba)


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