



Connecting beyond ‘Community’: Recasting the Power of Social Capital on Collective Action in Indonesian MSMEs

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ABSTRACT

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The purpose of this article is to look into the functions of community in running capitalism at the micro-level through Micro Small and Medium Enterprises (MSMEs), as well as the effects on the collective well-being of the members. The concept of community-welfare capitalism is used and re-examined in this article. The term “community-welfare capitalism” refers to a form of capitalism that stems from grassroots communities in Indonesia and other Asian countries. Based on our empirical findings on three MSMEs in Yogyakarta, Indonesia, it is argued that, while the majority of works of literature emphasizes the importance of the community in providing informal social protection, our findings confirm that the community’s role extends beyond social care to include economic security through collaborative business development. Because Indonesia is currently struggling to achieve inclusive welfare, our conclusion of community-welfare capitalism emphasizes the importance of informal support for social redistribution. As a result, it has been demonstrated that the community-welfare capitalism system, which includes MSMEs, can assist formal welfare institutions in integrating unabsorbed social risk during these difficult times.

Introduction

The purpose of this article is to investigate the community’s role in implementing capitalism at the micro-level through Micro Small



and Medium Enterprises (MSMEs), as well as the impact this has on the collective well-being of its members. In this article, the concept of community-welfare capitalism is used and re-examined. The term “community-welfare capitalism” refers to the type of capitalism that emerges from grassroots communities in Indonesia and other southern countries. According to this viewpoint, the community serves a dual purpose: it provides welfare to its members while simultaneously acting as the primary agent of capital accumulation at the national level (Kusujiarti, 2012; Sirojudin & Midgley, 2011).

Indonesia was chosen as the developing country representative because it is reliant on MSMEs and has recently developed into an upper-middle-income country (Yuda, 2019). The MSME sector has become a source of income for Indonesians. On the other hand, the MSME sector is considered as a potential hub for efforts to strengthen MSMEs’ sense of community and cooperation. MSMEs, based on their activities, are an inseparable part of people’s lives, providing economic, trade, and collaborative opportunities to meet their needs (Fajar, 2016).

MSMEs have a critical role in the economy, according to the Central Bureau of Statistics’ 2016 economic census. The sector is capable of absorbing 89.2 percent of total labor, providing 99 percent of total employment, contributing 60.34 percent of the country’s GDP, and 14,17 percent of total export. The data reveals that the MSMEs sector plays a crucial role as an economic driver while also helping to alleviate poverty.

A few counter-arguments exist. To begin with, the vast majority of MSMEs and this sector are concentrated in rural / isolated locations, which are also home to the impoverished. Second, a labor-intensive business sector, particularly among low-educated and female workers. Third, many agro-based MSMEs engage in activities such as food manufacturing, home furnishings, and so on. The vast

majority of the poor live in rural areas and rely on agriculture for a living (Tambunan, 2016, p. 128). Furthermore, during the 1997 Indonesian economic crisis, when the country's large industries failed, MSMEs were able to save the country's economy.

This article is significant because many welfare studies focus solely on the community and its limited role in social care (Gough & Wood, 2004; Kusujarti, 2012; Kwon & Kim, 2015; Sirojudin & Midgley, 2011), ignoring the other critical roles in collective capitalism that generate social redistribution while also protecting it from economic crisis; and strengthening social resilience and the economy in general (Yuda, 2019; 2020a). This article will reveal these responsibilities based on information gathered from a forum group discussion about three MSMEs in Yogyakarta.

While most of the literature emphasizes the importance of the community as an informal social protection provider, we believe that the community's role extends beyond social care to include economic protection through collaborative business growth, which has tremendous ramifications in terms of improving social resilience and the economy, particularly during the present pandemic period. The notion is supported by our qualitative evidence, which shows that MSMEs are expanding and adapting to customer demand, particularly during pandemics, starting with the need for face masks, frozen food, hygiene goods, and traditional herbs, as described in this research based on a survey of three MSMEs in Yogyakarta, Indonesia.

Understanding Community-welfare Capitalism

Capitalism in the Western and Asian Senses

Capitalism is commonly thought of as an economic system in which the private sector owns and controls its property for its benefit, while supply and demand freely determine market prices in

a way that benefits individual interests. The pursuit of personal gain is the primary characteristic of capitalism. In Western countries, property ownership is based on a shared ownership model that is protected by national legislation, limiting family ownership. A corporation's ownership is frequently concentrated in the hands of a family or a country in Asia, where capitalism has matured into a new type (Hadiz, 2003). At the time, this practice was dubbed familistic-welfare capitalism (Papadopoulos & Roumpakis, 2017). The prevalence of family-owned businesses, particularly among ethnic Chinese, Korean Chaebol, and Japanese Keiretsu, exemplifies family-welfare capitalism in action (Holliday, 2000). In this situation, the vast financial resources of state officials and their families allow them to gain access to the financial industry while also safeguarding their domestic political capital (Aspinall, 2013). Due to its close ties to the government's structure, several experts refer to it as state capitalism (for example, Hadiz, 2003). Although the idea of capitalism became dominant in the 1980s, the belief that the government can control the national economy and lead to social prosperity appeared to succumb during the 1998 crisis; brought back the market narrative within institutional reproduction of political economy within Asia in the years that followed, as well as the possibility of decentralization of share ownership based on public ownership (Aspinall, 2013).

Another Welfare Capitalism Model: Community-welfare Capitalism

In this article, we expand our understanding of capitalism beyond the basic concept of familistic-welfare capitalism. We believe that capitalism, like community, emerges from the bottom up. In this case, the community as a collective entity not only serves as a reproductive quarter of social care but also serves as a major economic actor in the creation of resources and the distribution of benefits and costs among its members through MSMEs. The state

has regulated the MSMEs sector in Indonesia, which is an institution for the growth of community-based capitalism. The significance of community in the social and economic sectors is emphasized, particularly in light of the changing dynamics of the global economy, which requires governments to adapt to rising welfare expectations (Mok, Kühner, & Yeates, 2017). This is primarily due to the emergence of new risks posed by unanticipated variables, as economic and social problems become increasingly complex. This issue has created a new sense of urgency at the local, national, regional, and global levels, necessitating governments to take proactive measures that go beyond the traditional governance paradigm that focuses on the nation or the market (Aspalter, 2019). As a result, by establishing the community as a fundamental component of the development agenda, ideas for restoring social welfare must be widely disseminated (Mok, Ku & Yuda, 2021). Consequently, a community is pressed to go beyond its traditional role as a provider of social services to be an agent of capitalism and safeguard its members from developing social hazards.

The role of the community in providing resources for individual safety and social welfare is inextricably linked to Indonesia's political-economic development (Sirojudin & Midgley, 2011). The relevance of reexamining community is to gain a broader perspective on it; to see it as one of the most important providers of welfare in its two functions as an informal social care provider (Yuda, 2019) and as the principal risk absorber in capitalism (Kwon & Kim, 2015). Community-welfare capitalism, on the other hand, is a preeminent topic that needs to be explored further, especially in the Southern Hemisphere countries (Gough & Wood, 2004).

MSMEs as a Type of Community-welfare Capitalism

Micro Small and Medium Enterprises embody the idea of a community that serves a dual role as both a primary supplier of

welfare for its members and a primary agent in the accumulation of capital (MSMEs). MSMEs have a significant role in Indonesia's economy (Pakpahan, 2020). MSMEs are one of the country's most important economic sectors, as evidenced by the employment agreement (Abidin, 2015). Micro Small and Medium Enterprises exemplify the idea of a community that serves a dual role as both a primary supplier of welfare for its members and a primary agent in the accumulation of wealth (MSMEs). MSMEs provide a significant contribution to Indonesia's economy (Pakpahan, 2020). MSMEs are one of the most important sectors of the national economy, as evidenced by employment absorption (Abidin, 2015). Furthermore, MSMEs play at least three critical roles in people's lives: reducing poverty, leveling people's economies, and providing foreign exchange to the government (Prasetyo & Huda, 2019). MSMEs also play a role in lowering unemployment and poverty, as well as slowing the rate of urbanization, according to Prasetyo's (2008) research. MSMEs are also essential players in the growth of local economic activity and community empowerment, according to the Tedjakusuma (2014) report.

MSMEs have made significant contributions to the socio-economic growth of the community throughout history, from pre-colonial times to the present. Several industrial areas, such as the Imogiri batik industry hub, gold, and copper handicrafts, emerged in the pre-colonial era in the Special Region of Yogyakarta, for example. In the Kraton's immediate vicinity and on Kraton-owned land, industrial centers are sprouting up. The creation of a compulsory planting policy (*cultuurstelsel*) and a land tax system under the Dutch East Indies colonial administration demonstrates the strategic importance of MSMEs, particularly in the agricultural sector.

Following Indonesia's independence, the MSME sector has continued to play a significant role in the community as a source of

economic sustenance and a social forum. MSMEs' collective activities continue to expand. To address this, the government established a Village Unit Cooperative, which is meant to serve as an economic and social forum for rural communities founded on the family. The quantity of government assistance programs in terms of money, marketing, and technology from the old order to the new order also demonstrates the government's focus on the MSME sector, which employs the vast majority of Indonesians.

During the 1997-1998 economic crisis, the MSME sector proved to be a lifeline for the Indonesian economy, dominating its structure (Prasetyo, 2008). The number of MSMEs continues to increase year after year, demonstrating this (Sarfiyah et al., 2019). According to the Suci Study (2017), the number of MSMEs has not declined and is continuing to rise, absorbing 107 million workers, despite the economic crisis.

The MSME sector's crucial role during the economic crisis is what keeps it garnering the government's attention once the new order is implemented. Several key MSME programs arose such as The People's Business Credit Program, the Urban Poverty Alleviation Program, and the Rural Areas Program (later renamed the National Program for Community Empowerment (PNPM)). Since the implementation of the Village Law in 2014, the government has fostered the growth of Village Owned Enterprises. This Village Owned Enterprise is also an institution that contributes to village development by managing the village's potential and economic equality. It is envisaged that by implementing BUMDes, the MSME sector's economic and social roles in rural areas will be strengthened even further.

MSMEs in Indonesia have suffered direct consequences when COVID-19 became a global issue and the World Health Organization (WHO) proclaimed it a global pandemic (World Health

Organization, 2020b). WHO recommends that governments employ physical separation policies to stop COVID-19 from spreading over the world (World Health Organization, 2020a). This is accomplished in Indonesia by determining the state of the COVID-19 disaster emergency, enacting Large-Scale Social Restrictions (PSBB), and implementing micro-scale Restrictions on Community Activities (PPKM) in various locations (Kemenko PMK, 2020). As a result, job creation and economic development have been impeded, if not completely halted.

Simply put, economic activity occurs when products and services are exchanged, both physically and electronically (Basri, 2020). However, the government's policy of restricting the movement of these people to decrease the spread of COVID-19 also limits the ability of economic players and customers to conduct physical transactions. Based on data from Google COVID-19 Community Mobility Report, the national average mobility of people to retail and recreational areas has decreased (Google Indonesia, 2020). Consequently, 98 percent of small enterprises, or nearly 63 million people, are affected (Wiharso, 2020). Micro, small, and medium enterprises (MSMEs) from diverse sectors also suffered a decline in turnover, according to the Smesco Indonesia report (Kontan, 2020).

MSMEs employ a variety of strategies to stay afloat. Switching platforms or digital markets is one way to consider. According to a poll conducted by the Katadata Insight Center (KIC), as much as 77 percent of MSMEs offer their products through marketplaces to survive and sell during the epidemic (Katadata Insight Center, 2021). In addition, as part of their survival strategy, MSMEs are merging offline and online marketing channels (Katadata Insight Center, 2020). As much as 62.6 percent of MSMEs are confident and optimistic that they can survive the crisis caused by the COVID-19 pandemic (Katadata Insight Center, 2020).

MSMEs have been shown to contribute to Indonesia's work, its ability to deal with times of crisis, and community welfare protection as a result of its development. People can enter and exit the MSME sector due to its flexibility. Furthermore, MSMEs' strong social capital keeps the sector alive. The ability of social capital at the community level to motivate the community in conducting economic activities has been assumed (Khrisna, 2008; Wulandari, 2020). Social capital, which includes trust, networking, and norms, has a substantial impact on MSMEs' performance, as evidenced by increased production, procedures, and the ability to mobilize resources. (Boohene et. all, 2019; Analia et. all, 2020).

Another example is a study completed by Ramadhani (2020) on community empowerment in Bangka Belitung's MSMEs processed seafood community. According to the report, MSMEs' efforts have boosted the economic income of each family involved in the business, in addition to meeting the fast-expanding demand for their products.

The cooperation of rural communities in agriculture, animal husbandry, and other fields, which is the main capital in the establishment of MSMEs in Indonesia, provides more empirical evidence. According to research conducted at Joglo Tani by Nurhidayah (2019), in addition to establishing local food sovereignty, Joglo Tani has created job opportunities for landless agricultural communities and raised daily, weekly, and monthly wages. In the sphere of commerce, networking, trust, and value are essential for the MSME sector to thrive. For example, research of MSMEs in Sepatu Bunut conducted by Harahap (2019) revealed that social networking and mutual trust are at the core of the business's success.

Research Method

The purpose of this article is to look into the functions of community in running capitalism at a micro-level through Micro Small and Medium Enterprises (MSMEs), as well as the effects on the members' collective well-being. The research employs a qualitative case study methodology. The information was acquired through face-to-face interview and focus group discussion with all three of the respondents, who were all MSMEs in Yogyakarta. We interviewed important people with information about how the processes and institutions building and innovations on the selected examples were created and implemented during the crisis to acquire a better understanding of how specific initiatives were formed and implemented.

Cases are chosen based on previously mapped cases and regions that reflect the characteristics of 'community welfare capitalism' and are logistically accessible. Yogyakarta was chosen as the study province because it comes into the category of Indonesian areas that perform on par with the national average in terms of socioeconomic indicators.

The MSMEs selected are community-based businesses that have been in operation for more than five years and have survived the COVID-19 pandemic. Furthermore, the selected MSMEs were chosen based on how well they had integrated community benefits into their operations; hence, their long-term viability will be influenced by collective welfare. Culinary (Angkringan Jogja), batik (Batik Association Sekarjati Mas), and herbal beverage are the three businesses chosen (telogo roso). To survive this pandemic period, the diversity of these sectors should allow for a thorough examination of the dynamics of three platforms of community welfare capitalism. The authors manually coded the transcripts and interview notes, then studied and analyzed them together to create an analytic and

writing framework that is specific to the developed subjects for this study.

Result

There are three MSME case studies that demonstrate the role of MSMEs as agents of collective welfare manifestation. MSMEs communities are also able to survive and even grow into a safety net for their members in this pandemic period.

Sekarjati Mas Batik Industry

Batik is an Indonesian wax coloring technique that is applied to a piece of fabric. Batik has been around since the 17th century, and it was originally inscribed on palm leaves. Since then, batik, which was once only available to the royal family, has evolved into a widely available item with commercial worth. Traditional batik, which used to be limited and handcrafted by one person, has now evolved into a machine-produced commodity with commercial value (Parnomo:2013). The growth of batik as an economic commodity has resulted in the establishment of batik industry centers. Laweyan, Solo, Giriloyo Batik Hub, Yogyakarta, Trusmi Batik Hub, Cirebon, West Java, Lasem Batik Hub, Rembang, and others are examples of well-known batik hubs. Craftsmen and foremen supervisors work closely together in these centers, both during the manufacturing and marketing processes. The key to their survival is cooperation among these groups.

Sekarjati Mas Hub was one of the first batik hubs in Yogyakarta. The Jatimas Permai housing community in Jatimas village, Balecat, Gamping, Sleman, Yogyakarta, was founded by housewives. On December 29th, 2013, the community began as a night class to pass the time, learn new skills, and preserve the batik culture. There were

up to 29 people in the group at the time. The activity was not only open to housewives; some men also participated. The activity was aimed not only at improving the welfare of its members but also at educating both members and consumers about batik as a cultural heritage.

Batik has served as the foundation of Sekarjati Mas since its inception. This community was able to diversify its product as it grew to keep up with the market. Brooches, headbands, necklaces, coin purses, clutches, pencil cases, and sandals are among the different items available. In addition, the community created a new product based on batik patchwork as a fashion souvenir.

The social capital of community members is becoming increasingly important in the development of batik in the Sekarjati Mas hub. The development of batik has a favorable impact on the economics of society. The ability to work close to home, more income for the family, and the emergence of a superb Balecatuur Village specialty are only a few of the beneficial effects for the women.

According to the findings of a focus group, ordinary mothers involved in the development of batik can make an extra Rp 500-1.5 million each month. Improved solidarity and caring among them, improved collaboration, self-confidence, and courage to engage with other parties (customers), and providing an alternative activity to use their free time constructively are the social consequences. Since women who live in housing tend to be individualists, the formation of batik groups in Sekarjati Mas is a unique phenomenon because the presence of batik activity strengthens the environment of kinship and collectivity among them. According to data from field research, womens' feelings of solidarity grow stronger as they interact more frequently. When they meet together during the batik manufacturing process, they occasionally share their problems so that other members of the group can offer suggestions and solutions to help them solve

the problem.

Various parties, including the Sleman Regency Government, universities, and corporate social responsibility initiatives, have responded to the spirit and work ethic of the Sekarjati Mas batik group. The Office of Cooperatives and MSMEs coordinated the exhibition, while the Office of Women Empowerment for Child Protection and Family Planning provided capital strengthening through the UPPKS, with support from the local government through the Department of Industry and Trade (Efforts to Increase Family Welfare Income). Gadjah Mada University's Faculty of Psychology and Faculty of Social and Political Sciences are two of the university's higher education institutions. Mentality and motivational mentorship programs are offered by the Psychology Faculty. Following that, the Faculty of Social and Political Sciences helped with institutional development, marketing strategy, and batik product innovation and diversification. Meanwhile, Pertamina TBBM Rewulu has been offering CSR programs in the areas of batik writing, production house repair, waste management equipment development, and batik equipment acquisition since 2020. The number of institutions engaging in batik development demonstrates the Sekarjati Mas organizations' ability to grow and be encouraged.

Developing solidarity and care among them, improving collaboration, self-confidence, and courage to connect with other parties (consumers), and providing an alternative activity to use their free time constructively are the social consequences. While the Sekarjati Mas MSME is suffering from income depression during the pandemic, the community is nevertheless able to thrive. As the community's purchasing power is dwindling, the income earned is dwindling as well. The monthly average salary is between Rp 300.000 and Rp 750.000. For certain batik craftsmen in Sekarjati Mas, a loss in income does not affect their enthusiasm. By heavily

utilizing social media as a promotional tool, innovation is created to boost the market (such as by using Instagram and WhatsApp group). Some government entities that have been their collaborators have continued to issue orders. During a pandemic, the strategy becomes crucial for survival.

Angkring Jogja

Angkringan is a street vendor who sells a variety of traditional Indonesian meals prepared by locals. Angkringan is a popular MSMEs sector in Yogyakarta and Central Java, particularly in the culinary sector. Angkringan has been practiced for decades and continues to evolve. It all began in 1911 with a coffee vendor using a pole to transport his goods. The traditional burner was placed on the left pole to heat the water, while various needs such as coffee, sugar, and glass were placed on the right pole. The merchant sells traditional food in addition to coffee. Normally, the merchant would pitch his tent under a tree by the roadside.

Around the 1950s, Mbah Pairo, a Klaten elder, introduced angkringan to Yogyakarta. He established a stall in Yogyakarta's Tugu Railway Station, which was eventually acquired by his son Lik Man and became well-known. As years passed, how he sold his wares changed in the 1980s. While he initially brought his products with a carrying pole, he eventually established a permanent stall with a wagon and a tarp tent. Even hotels now provide angkringan menus. Other angkringans employ a permanent structure as a stall and a modified wagon with tables to show the dishes.

The trust and close relationship between the participating players in this business, which are the seller, the food supplier, and the financier (funding the food supply/seller), is essential to angkringan's long-term survival. Sellers have formed a network of collaboration based on ethnicity and kinship. For example, angkringan merchant

groups from Cawas Klaten and Gunung Kidul are known to exist.

In 2011, Muhammad Helmi Rahman, a youth from Yogyakarta, launched Angkring Jogja, a product invention of a large-scale enterprise on a national scale. Helmi began by purchasing six angkringan wagons for Rp. 10.000.000,- each. The firm was formed by utilizing residents of Tahunan Umbulharjo village using a social entrepreneurship business model. People, particularly women with cooking skills, are empowered to help the angkringans by providing food. While unemployed men and teenagers work as sellers (<https://satutumbuhseribu.valbury.co.id>, 2020).

Traditional angkringan, contemporary angkringan, and angkringan coffee are the three angkringan concepts that have been established. Angkringan traditional is essentially the same as a typical food stand, with customers passing back and forth. Angkring Jogja, on the other hand, is created as a contemporary angkringan with a modern concept, despite its roadside setting. The marketing campaign is aimed towards teenagers. Finally, angkringan Kaffe serves angkringan menus as the main entrée, with the concept of common angkringan.

Angkring Jogja also develops a variety of businesses to extend its business and empower society, such as renting and selling angkringan wagons, angkringan franchises, and angkringan event catering. People who wish to create an angkringan business but don't have the time to manage it can always become investors by purchasing Angkring Jogja's shares. Several product innovations are being created, such as rice balls and canned rice, to be a one-of-a-kind hand carry from Yogyakarta. The manager of Angkring Jogja also provides free facilities for the community to intern for angkringan selling exercises and to learn the processing of kitchen angkring menu, particularly for those who had purchased wagons angkring packages.

Since its existence has created job possibilities and entrepreneurship, several innovations made for angkringan development can have a social and economic impact on society. According to a field study, until December 2020, Yogyakarta has 77 rented angkringan wagons and 86 franchised angkringan outlets. The relatively low rental price of angkringan wagon, which is only Rp 300,000 per month, is responsible for the growth of this significant amount.

Assumed that one month is divided into 30 days, then the rental rate per day is Rp 10.000. Assumed again that the cost of Rp 10,000 is correlated with the sale of 5 cups of tea (per glass of Rp 2000). Certainly, this is a bargain. Based on the economic impact, individual angkringan businesses have supplied additional income to the community. Before the Covid-19 outbreak, the average angkringan trader could make a net profit of Rp 100,000-150,000.00 every day.

The patterns of connections with wagons tenants and franchisees are more familial, based on the social influence. Partnership ties are developed not only on an economic level but also on a social level. For instance, when wagons tenants and franchisees' late payments occur, Helmi Rahman, the owner of Angkring Jogja, nevertheless shows tolerance. As long as it's within a month, tolerance is granted. Even in the early days of the covid pandemic, some partners were allowed to pay less than the maximum rent since angkringan revenue had plummeted.

As a result, the developed relationship serves as an efficient platform for fostering social capital and trust between angkringan owners and renting parties/franchisees. This association pattern demonstrates that the growth of angkringan-based businesses is not only driven by economic factors, but also by social ones.

During the pandemic, new angkringan branches have even appeared. Many people even start an angkringan business as their

primary source of income during the pandemic. The success of angkringan can be attributed to networking and social capital. Angkring Jogja's existence has the potential to assist society.

The community has embraced the use of wagon and franchise rental systems. Culinary businesses, such as angkringan, were a new source of income for the neighborhood during the pandemic era, as the population struggled to make ends meet. For example, one of the informants, Eko Prasetyo, has been renting Angkring Jogja's wagon in Yogyakarta's north square since August 2020. He left his former position as an honorary officer of Satpol PP security of the Yogyakarta municipal government to become an angkringan salesperson because he recognized how angkringan business opportunities may provide a source of income for his family.

Furthermore, his ambition to start this angkringan firm is fueled by a low cost of capital (rent wagon only 300 thousand rupiah/day). Net profit from sales results of Rp 50,000-75,000 per day on average. This amount of money goes a long way toward meeting household expenses like electricity bills and school tuition. The importance of networking and social capital is demonstrated in this situation. Jogja's angkring existence clearly can bring a wide range of benefits to the entire community.

Development of Telaga Rasa Herbal Beverage

Muklis Hari Nugroho and his wife founded the MSME Telaga Rasa Herb Drink in the mid-2000s by experimenting with herbal drinks. The packaging was straightforward at the start of the manufacturing process. Small supermarkets were also targeted for marketing. As a marketer, there was only one employee. Telaga Rasa's success has been aided by quality improvement, product variation, packaging revisions, collaboration with banks, and the expansion of

business networks.

The development was accomplished by broadening the marketing network. The marketing eventually made its way to major cities in Java and Borneo. As the spearhead of marketing Telaga Rasa products, there are 150 marketing agents. These marketing agents have a presence in approximately 50 cities both within and outside of Java. Outside of Java, agents can be found in Makassar, Bengkulu, East Nusa Tenggara, and some areas on the island of Sumatra. Each agent is in charge of retail. There are approximately 400 retail outlets in Yogyakarta's Special Region. The development of marketing networks was also based on the aspect of trust. There are two types of marketing network development strategies: networks formed through friendship (IIBF network / Indonesia Islamic Business Forum) and networks formed openly (who is interested can register as an agent).

Telaga Rasa employs locals as workers in the manufacturing process. There are approximately 15 people who contribute to the manufacturing process in Modinan, Banyuraden Gamping Sleman DIY. Workers are primarily from the lower middle class. The income earned by those involved is equivalent to the Sleman Regency minimum wage, which is approximate Rp 2 million per month. Emerging working relationships are also more familial in nature. This business development, in addition to the production portion, collaborates with a distributor/marketing section of 5 people. This distributor partner is responsible for expanding the marketing network throughout Indonesia. As a result, the existence of UMKM Telaga Rasa has also contributed to the creation of job opportunities and an increase in the community's income.

During the pandemic, herbal drink businesses have a great opportunity as the demand for herbal drinks to boost bodily immunity grows. Furthermore, during the pandemic period, additional sales

and marketing agents increased from 120 before the pandemic to 150 agents. Marketing efforts on Facebook and other social media platforms have also increased.

The profit obtained at the start of the covid-19 pandemic can be 3-4 times that obtained before the pandemic. There is a lot of competition that arises in its development with similar herbal drinks, which ultimately has an impact on the decrease in profits that decreased to 1.5 times from normal conditions. Telaga Rasa MSMEs, on the other hand, continues to expand as a socioeconomic forum for workers and hundreds of retail/agents.

Discussion and Conclusion

The three stories given indicate that the community may be a venue for social and economic development through MSMEs. In the event of a pandemic, social capital and collectivity value embodied in trust and networks become the ideal asset for these MSMEs to continue to expand and serve as a social safety net for their members. This is a type of community welfare capitalism that demonstrates the social redistribution characteristics that are critical to people's well-being.

With the use of e-commerce and social media, MSMEs have a stronger chance to compete against larger companies, the possibility of redistribution grows even more. Amid large-scale job terminations and business shutdowns during the pandemic period, MSMEs' adaptive speed with the digital sector is excellent news. According to data from Indonesia's Ministry of Cooperatives and MSMEs, the number of MSMEs linked to social media in October 2020 is 10,25 million (16 percent of MSMEs). On the other side, the rise in online purchasing activity is having an impact on the growth of e-commerce. According to BPS 2020's Social Demography study, during the COVID-19 pandemic period, 9 out of 10 respondents used

online purchasing. Governments, private organizations, colleges, and MSMEs have all embraced the internet buying trend. The technology used ranges from utilizing solely WhatsApp to employing web platforms and applications.

Pasarsambilegi.id and pasarkolombo.id in Sleman Regency DIY are two more examples of the emergence of internet purchasing systems, both of which are handled by reputable merchant groups. Populist Economy Study Center, Universitas Gadjah Mada, and Mubyarto Institute were among the first to start developing web platforms. However, merchant communities handle platform administration, such as ordering, distribution, and customer delivery. Consumers respond positively to the availability of online shopping, as seen by their recurring orders. The community-based online shopping method's management model demonstrates that the community has participated in capitalism, which is beneficial to the members' welfare. This also demonstrates that the community has taken on the role of permanent employer for its members, as well as providing them with temporary occupations that are critical during the pandemic.

Community-welfare capitalism can provide a social foundation for the growth of Indonesia's overall welfare regime, allowing it to advance towards an inclusive type of welfare regime. In support of this last point, social policy is frequently implemented to strengthen society's resilience in a development setting (Yuda, 2021). For example, during COVID-19, the government provided President Assistance for Productive Micro Businesses and Direct Cash Assistance for MSMEs, both of which were fully implemented. The aid of 2,4 million Rupiah to each MSME actor is hoped to provide additional capital to those afflicted by the pandemic. The programs demonstrate the government's commitment to protecting MSMEs and their members. In addition, the government offers several

additional economic-related programs, including the Business Loan Program and the National Program of Community Development. Because of the limited number of accessible social policies, these approaches have been regarded as useful in serving as a supplement or even a substitute.

As a result of our analysis of community-welfare capitalism, we can conclude that informal support and social redistribution are critical for Indonesia to achieve inclusive welfare. As a result, the community-welfare capitalism system, through MSMEs, is capable of assisting in the internalization of social risks that primary welfare institutions are unable to absorb during these uncertain times.

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Authors' contributions and responsibilities

The authors made substantial contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation and discussion of results. The authors read and approved the final manuscript.

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Additional information

No additional information from the authors.

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