

## THE CREATION OF COMMUNITY-BASED ENTERPRISE IN INDONESIAN RETURN MIGRANT WORKERS: THE ROLE OF INTERNAL AND EXTERNAL FACTORS

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**Abstract:** Entrepreneurship is one of the strategies in economic reintegration programs for Indonesian Return Migrant Workers when their employment contracts end and return to their homes. This study aimed to find out how successful the creation process of community-based enterprise is in the Indonesian return migrant workers community and to analyze the role of internal and external factors that influence its success. This study uses a qualitative method and took a case study on the Sahabat Bersama Cooperative as a community-based enterprise created by the Migrant Workers Family Community or Komunitas Keluarga Buruh Migran in Karawang Regency. Data was collected by using observation, semi-structured interviews, literature study, and documentation. This study uses the qualitative data analysis technique that consists of data condensation, data display, and conclusion drawing/verification. Results show that in the dynamics of the community-based enterprise creation process, internal factors, namely social capital and leadership played an important role in encouraging community participation in community-based entrepreneurial activities. In addition, external factors, namely institutional support systems from the public and private sectors played an important role in the cooperative's business development. The results of this study have implications for the importance of collaboration among several stakeholders involved in the economic empowerment programs for Indonesian Return Migrant Workers. Collaboration is needed between several related government agencies and the importance of the private sector's involvement in the success of community entrepreneurship activities to survive in the long term.

**Keywords:** community-based enterprise, return migrant workers, social capital, leadership, institutional support system

**Abstrak:** Kewirausahaan merupakan salah satu strategi dalam program reintegrasi ekonomi bagi Pekerja Migran Indonesia Purna ketika kontrak kerja mereka berakhir dan kembali ke kampung halamannya. Penelitian ini bertujuan untuk mengetahui bagaimana proses penciptaan community-based enterprise yang sukses di komunitas Pekerja Migran Indonesia Purna dan menganalisis peran faktor internal dan eksternal yang mempengaruhi keberhasilannya. Penelitian ini menggunakan metode kualitatif dan mengambil studi kasus pada Koperasi Sahabat Bersama sebagai community-based enterprise yang dibentuk oleh Komunitas Keluarga Buruh Migran di Kabupaten Karawang. Penelitian ini menggunakan teknik analisis data kualitatif yang terdiri dari kondensasi data, display data dan penarikan kesimpulan/verifikasi. Hasil penelitian menunjukkan bahwa dalam dinamika proses penciptaan community-based enterprise, faktor internal yaitu modal sosial dan kepemimpinan berperan penting dalam mendorong partisipasi komunitas dalam kegiatan kewirausahaan berbasis komunitas. Selain itu, faktor eksternal yaitu sistem pendukung kelembagaan dari sektor publik dan swasta berperan penting dalam pengembangan usaha koperasi. Hasil penelitian ini berimplikasi pada pentingnya kerjasama diantara beberapa pemangku kepentingan yang terlibat dalam program pemberdayaan ekonomi Pekerja Migran Indonesia Purna. Diperlukan kolaborasi diantara beberapa lembaga pemerintah terkait serta pentingnya keterlibatan pihak swasta dalam keberhasilan kegiatan kewirausahaan komunitas agar dapat bertahan dalam jangka panjang.

**Kata kunci:** community-based enterprise, pekerja migran purna, modal sosial, kepemimpinan, sistem pendukung kelembagaan

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## INTRODUCTION

The positive relationship between return migration and entrepreneurship has been extensively documented in the prior literature by considering factors such as duration of migration, remittance while abroad, and acquisition of skills that positively affect the chances of return migrants to become entrepreneurs in their home countries (Lara et al. 2021). Using migration data from Egypt, Wahba and Zenou (2012) found that although return migrants may lose their social capital, they accumulate savings and experience overseas, increasing their chances of becoming entrepreneurs. In the case of return migration in Mexico, Wassink (2020) also found that there was a positive effect of the accumulation of migration experience on entrepreneurship, that international migrants can accumulate human and financial resources that are essential for initial-stage entrepreneurship.

Factors such as savings while abroad, duration of working abroad, and individual ability to acquire various skills while they work in the host countries may favor their decision to become entrepreneurs (Supriyanto and Cardoso, 2015). However, most of the recent studies in international migration literature only focus on the opportunities for entrepreneurial activity carried out by return migrants at the individual level. Meanwhile, opportunities for entrepreneurial activities carried out by return migrants at the community level formed after returning to their home countries have received little attention.

In the Indonesian context, entrepreneurship is considered as one of the solutions and strategies to create a sustainable livelihood for return migrant workers by creating jobs, providing new and better jobs, and to some extent, reducing migration (Yuniarto, 2018). Several recent studies show that there are entrepreneurial activities carried out by the Indonesian return migrant workers communities, such as Anwar and Chan (2016), Wahyono et al. (2019), Rosiyanti and Gustaman (2020), Zid et al. (2020) and Muslihudin et al. (2021). Most of this research examined how entrepreneurial community activities act as a medium for return migrant workers' empowerment by providing new jobs, and new entrepreneurial opportunities and keeping them from returning to work abroad.

Community-based entrepreneurship is the process of recognizing, creating, and exploiting opportunities to collectively create goods and services that provide

economic, social, and/or ecological benefits for the local communities and/or the wider society (Hertel, 2018). The result of this entrepreneurial process is a community-based enterprise (Haugh and Pardy, 1999), an enterprise that is collectively established, owned, and controlled by the members of a local community in which they are embedded and aim to generate economic, social, and/or ecological benefits (Hertel & Belz, 2017).

Although there is a growing interest in the literature on Indonesian return migrant workers' community entrepreneurship, there is still a lack of empirical research that specifically explores the role of internal and external community factors in the dynamics of community-based enterprise creation. Wahyono et al. (2019) examined how various forms of community social capital – bonding, bridging, and linking social capital, could build a digital network in return for migrant workers' social entrepreneurship in Wonosobo Regency. Then, Anwar and Chan (2016) also found that village-level social networks played an important role in facilitating the establishment of return migrant workers and non-migrant enterprises in the Gunung Kidul Regency. Based on these studies, social capital as an internal community factor is important for the successful creation of community-based enterprises. However, both studies have not examined more in-depth the role of other internal community factors, such as leadership, and external factors, such as institutional support systems, in the successful creation of community-based enterprise in the return migrant workers community.

According to Anderson et al. (2006), leadership is the most important element for the success of community-based enterprise. Similar to the findings of Handy et al. (2011), in addition to the vital role of social capital factors such as bonding and bridging social capital, there was a key individual who became the leader in the community who played an important role in the community-based enterprise creation. Meanwhile, other studies also found that there are often forms of intervention from external factors that affect the success and failure of community-based enterprise creation (Valchovska and Watts, 2016). Kleinhans (2017) and Munoz et al. (2014) stated that the public sector plays an important role in the creation of community-based enterprises. Then, a recent study by Murphy et al. (2020) also found that interaction with external stakeholders such as universities, businesses, and governments determines the successful creation of community-based enterprises in the Toquaht Nation. Several of these studies show that the creation of

community-based enterprises cannot be separated from the important role of internal and external community factors. The existence of social capital and leadership from within the community and the availability of support from external stakeholders have an important role in the community-based enterprise creation process.

According to a study by Bachtiar and Prasetyo (2017), most stakeholders in Indonesia, such as government, NGOs, private institutions, and donor agencies, implement economic reintegration of return migrant workers which focuses on entrepreneurial programs. The Indonesian Migrant Workers Protection Agency (BP2MI) is one of the government stakeholders that implements empowerment programs for return migrant workers through entrepreneurship training. This empowerment program is carried out in all regions of Indonesia, especially in areas that have the highest number of placements for Indonesian Migrant Workers, such as Karawang Regency. Data from BP2MI (2021) shows that Karawang Regency is one of the top five regencies/cities in West Java with the highest number of placement of migrant workers.

According to BP2MI (2022), the empowerment program for the Indonesian return migrant workers community has been implemented in Karawang Regency since 2015. In early 2016, the Karawang Migrant Workers Family Community or *Komunitas Keluarga Buruh Migran (KKBM) Karawang* succeeded in establishing the “Sahabat Bersama” Cooperative, to accommodate the entrepreneurial activities of return migrant workers and their families (BP2MI 2022). The creation process of the Sahabat Bersama Cooperative is interesting for more in-depth research, especially since there has not been much research focusing on the development process of a community-based enterprise in the return migrant workers community. Therefore, this study aims to find out how the creation process of the Sahabat Bersama Cooperative as a community-based enterprise in the Karawang Migrant Workers Family Community and analyze how the role of internal factors (social capital and leadership) and external factors (institutional support systems) influence its success.

## METHODS

This study used a qualitative method with a case study approach. The case study is an empirical method that investigates contemporary phenomena (“cases”) in

depth and context of the real world (Yin 2014). The application of a case study relies on qualitative data that provide descriptive explanations about the behavior of individuals, groups, and enterprises (Parwez 2017). This study used a single-case design by taking the Sahabat Bersama Cooperative as a community-based enterprise formed by the Migrant Workers Family Community in Karawang Regency. The research itself was conducted from July 2022 until December 2022. It used triangulation of data sources to verify data validity to minimize bias in using single case design.

This study was divided into two types of data, namely primary and secondary data. Primary data was collected by using observation techniques and semi-structured interviews with selected informants based on purposive sampling. The chosen informants in this study are those who are directly involved or have knowledge about the creation process of the Sahabat Bersama Cooperative. They are the chairman and members of the Karawang Migrant Workers Family Community, the officer of Indonesian Migrant Worker Protection Service Center (BP3MI) Jawa Barat, the officer of the Department of Manpower and Transmigration (Disnakertrans) Karawang Regency and the officer of Department of Cooperatives and Small and Medium Enterprises (Dinkop dan UKM) of Karawang Regency. The secondary data was obtained from regulations and policies, the social media community, books, articles, and scientific journals.

The qualitative data analysis technique by Miles et al. (2014) used in this study, which consists of three activities as follows: 1) Data condensation. In data condensation activities, the researcher did the selection process, abstraction, and/or transformation of data that emerged from field notes, transcripts of interviews, documents, and other empirical materials, that related to entrepreneurial activity conducted by the return migrant workers community; 2) Data display. The next stage was the presentation of data in the form of narratives and graphics that described the dynamics of the Sahabat Bersama Cooperative creation process and how the role of internal and external community factors affected the process; 3) Conclusion drawing/verification. The final stage was concluding and verifying research findings related to the dynamics and role of internal and external community factors in the successful creation of the Sahabat Bersama Cooperative. The research framework is illustrated in Figure 1.

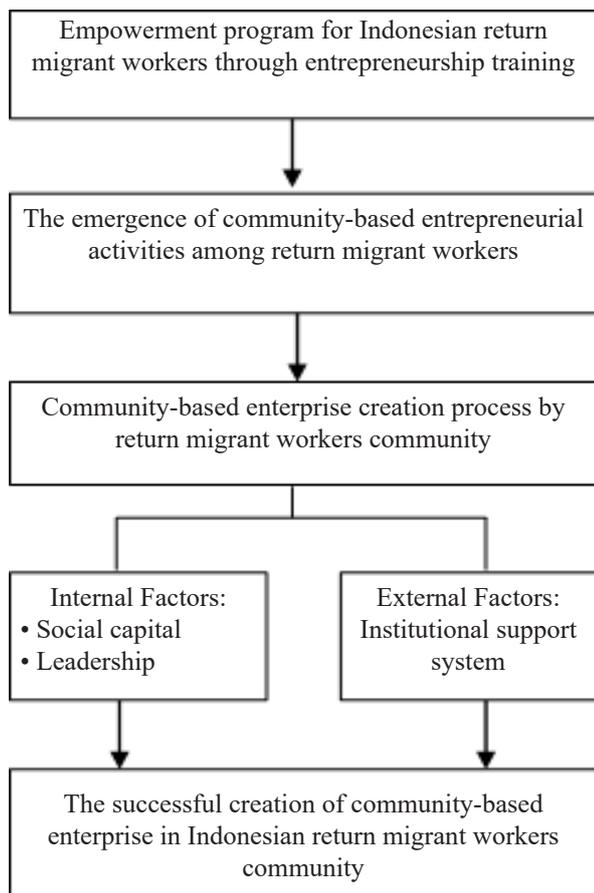


Figure 1. Research framework

## RESULTS

### The Creation of Sahabat Bersama Cooperative

The creation of Sahabat Bersama Cooperative as a community-based enterprise in the Karawang Migrant Workers Family Community is inseparable from the implementation of an economic empowerment program for Indonesian return migrant workers through entrepreneurship training activities organized by the Service Center for Placement and Protection of Indonesian Migrant Workers (BP3MI) Jawa Barat in 2015. Through this empowerment program, return migrant workers from several villages in Cilamaya Kulon and Cilamaya Wetan subdistrict, Karawang Regency, were given entrepreneurship training for several days. Based on information from an officer of the Service Center for Placement and Protection of Indonesian Migrant Workers (BP3MI) Jawa Barat, this program aimed to help return migrant workers and their families build the economy so they could be economically empowered by owning a business after attending the entrepreneurship training.

*“...through that program, we hope that return migrant workers can be economically empowered by forming a business after we trained them...”*  
(NW, BP3MI Jawa Barat officer)

After the entrepreneurship training was completed, return migrant workers formed a community and made plans to create a cooperative as a forum for community business. The idea to create a cooperative was then realized by one of the return migrant workers who later became the community leader, namely Mr. AF. Previously, Mr. AF was also the person who mobilized and approached return migrant workers and their families so that they were willing to be involved in the empowerment program as participants in entrepreneurship training organized by BP3MI Jawa Barat. To realize the plan, Mr. AF consulted with the Department of Cooperatives and Small and Medium Enterprises of Karawang Regency about the procedures and requirements for forming a cooperative.

Return migrant workers carried out several collective actions to create cooperatives, such as dividing roles and tasks in the cooperative management structure, including the chairman, secretary, treasurer, supervisor, and members. In addition, as another requirement, initial capital for cooperatives was needed. At that time, the return migrant workers agreed to provide personal funds as initial cooperative capital through principal, mandatory, and voluntary savings.

With the facilitation of the Department of Cooperatives and Small and Medium Enterprises of Karawang Regency, Sahabat Bersama Cooperative was registered with a notary to obtain a deed of establishment of the cooperative issued by the Ministry of Law and Human Rights. In 2016, Sahabat Bersama Cooperative succeeded in getting an act of establishment with Legal Entity Number 04/BH/XII.10/01/2016 for a multi-business cooperative group.

After obtaining legality, Sahabat Bersama Cooperative received a coaching program from the Department of Cooperatives and Small and Medium Enterprises of Karawang Regency. First, the Human Resource Development program for cooperative managers and supervisors. Second, the entrepreneurship training program through product packaging training. Third, appropriate technology training programs that support cooperative business.

In addition, the creation of Sahabat Bersama Cooperative also increased responsibilities and roles among community members. Return migrant workers were not only involved as managers and supervisors of cooperatives, but some were also cooperative business managers. These business managers were divided into several business groups according to the type of entrepreneurship training they had attended and their entrepreneurial skills.

*“I’m in charge of packing breadfruit and ranginang chips, but sometimes I’m also involved in the production” (F, member of Karawang Migrant Workers Family Community)*

Some businesses under Sahabat Bersama Cooperative give their ownership to individuals or groups. Still, there are also businesses whose ownership is handed over to the cooperative to be managed together. At that time, by mutual agreement, the type of business managed directly by the cooperative was chosen based on the results of entrepreneurship training, namely food businesses such as breadfruit chips, *ranginang*, rice crackers, bread, as well as various souvenirs such as dolls and key chains. Information about business products from the Sahabat Bersama Cooperative can be seen in Table 1.

Table 1. The business product of the Sahabat Bersama Cooperative

Product Name	Product Image
Breadfruit chips and ranginang	
Rice crackers	
Bread	
Key chains	

In line with the organizational establishment, Sahabat Bersama Cooperative began to run a business by producing goods for sale to the market, but with a less extensive market reach, such as being marketed in the nearest stalls and shops around Pasirjaya Village, Cilamaya Kulon subdistrict. In addition, to support product competitiveness, Mr. AF, with the help of the Department of Cooperatives and Small and Medium Enterprises of Karawang Regency, managed various business licenses such as certificates for home industry and food production (P-IRT), halal certificates from the Indonesian Ulema Council and Trade Business Licenses (SIUP). To introduce cooperative products to be better known by people outside Pasirjaya Village, at that time, managers of Sahabat Bersama Cooperative participated in product exhibition activities organized by several government agencies.

With the operation of Sahabat Bersama Cooperative, return migrant workers who are members of the Karawang Migrant Workers Family Community can be economically empowered by having their businesses, and their products can be marketed through the cooperative. In addition, the presence of the Sahabat Bersama Cooperative as a community-based enterprise has also provided benefits for community members. The benefits include additional income, knowledge, and insight into entrepreneurial practices, and social benefits in the form of adding friends.

*“...by joining Sahabat Bersama Cooperative, increase my income and experience, and I have more friends too...” (N, member of Karawang Migrant Workers Family Community)*

As time goes by, Sahabat Bersama Cooperative operates and experiences growth and development. Various developments in Sahabat Bersama Cooperative business include marketing, sales turnover, and ownership of assets. From the marketing aspect, in 2018, Sahabat Bersama Cooperative established cooperation with retail trading companies with the featured product marketed, namely breadfruit and *ranginang* chips. At first, Sahabat Bersama Cooperative’s products were only sold in minimarket outlets in the Cilamaya Kulon subdistrict area, with 25 stores in 2018, then increased to 50 stores and 80 stores the following year. In 2020, with the assistance from the Department of Cooperatives and Small and Medium Enterprises of Karawang Regency and the management of minimarket companies, Sahabat Bersama Cooperative products

were not only sold in outlets in the Cilamaya Kuon subdistrict area but also sold in all minimarket outlets in Karawang Regency.

Then the product marketing of Sahabat Bersama Cooperative expanded, being marketed in minimarket outlets in the Karawang Regency area and three other cities in West Java Province, namely Indramayu, Subang, and Purwakarta Regency. Thus, until now, the breadfruit and *ranginang* chips products owned by Sahabat Bersama Cooperative have been marketed in four cities in West Java Province with 720 minimarket outlets.

With the broader marketing reach of Sahabat Bersama Cooperative's products, the cooperative's sales turnover has increased significantly. Based on information obtained from Mr. AF, the sales turnover of the cooperative currently reaches tens to hundreds of millions every month. With an increase in cooperative sales turnover, the income of return migrant workers who are cooperative members increased. The additional income for these return migrant workers is obtained from daily wages for working as a cooperative business production team and profit sharing from the cooperative's business results at the Annual Member Meeting at the end of the year. For example, the breadfruit chips production team, involved in frying and product packaging activities, currently earns an average of Rp80,000 to Rp250,000 per person.

Thus, Sahabat Bersama Cooperative as a community-based enterprise, not only serves return migrant workers who want to develop their businesses but also provides employment opportunities for those who have lost their jobs after stopping being migrant workers and returning

to their homes. The findings of this study confirm Pareto and Chrisman (2006) that community-based enterprises have multiple goals, not only economically but also socially and environmentally. In this study, Sahabat Bersama Cooperative has become a community-based enterprise that provides social benefits by empowering return migrant workers through providing jobs and their participation in entrepreneurial activities and economic benefits by giving additional income.

Furthermore, with the increase in production from time to time, Sahabat Bersama Cooperative needed additional capital support for its business sustainability. Previously, in the early days of cooperative creation only relied on contributions from return migrants for business capital. Because of the assistance from the Department of Cooperatives and Small and Medium Enterprises of Karawang Regency, at this time, Sahabat Bersama Cooperative has received capital support from the People's Business Credit (KUR) Program from the national bank. Therefore, with the addition of this business capital, Sahabat Bersama Cooperative can increase production following the number of incoming orders.

The achievements of the Sahabat Bersama Cooperative at this time are not achieved in a short time. Mr. AF and other Karawang Migrant Workers Family Community members had to make various efforts to advance the cooperative's business for several years. In addition, the support from external stakeholders such as the government and private sector has an important role in creating and developing Sahabat Bersama Cooperative. The Sahabat Bersama Cooperative creation process can be described in the Figure 2.



Figure 2. The Sahabat Bersama cooperative creation process

## The Role of Social Capital

According to Paredo and Chrisman (2017), there are three forms of social capital in the sustainability of a community-based enterprise – bonding, bridging, and linking social capital. This study found these three forms of social capital in the Sahabat Bersama Cooperative creation process. First, the form of bonding social capital that played an important role in the successful creation of Sahabat Bersama Cooperative, namely the trust among return migrant workers who were willing to be involved in every community entrepreneurial activity. The trust of return migrant workers as entrepreneurial training participants is the main key to implementing an economic empowerment program that was the main driving factor in creating cooperatives as a community-based enterprise at Karawang Migrant Workers Family Community. In addition, other forms of social capital bonding were the existence of teamwork and cooperation among return migrant workers who are members of the same business group, for example, when conducting goods production activities.

Sahabat Bersama Cooperative sells several products made by return migrant workers that are divided into several different business groups. Therefore, various business groups interacted to carry out cooperative business activities, such as community meetings and product exhibition activities. Thus, there is a second form of social capital, namely bridging social capital that was built between business groups and had an important role in the creation and development process of Sahabat Bersama Cooperative.

Finally, the form of linking social capital, which had an important role in the creation and development process of Sahabat Bersama Cooperative is a network that was built between Karawang Migrant Workers Family Community and various external stakeholders, both the government and the private sector. The relationship that exists between community and government agencies is a factor that plays an important role. On the other hand, the cooperation carried out by the cooperative with retail companies has a significant influence on business development carried out by cooperatives.

Wahba and Zenou (2012), in their studies, stated that although individual migrants have the opportunity to collect savings and experience abroad that increase their entrepreneurship, at the same time, they have

the potential to lose social capital when they return to their homes. The existence of all three forms of social capital in the successful creation of community-based enterprises found in this study shows that social capital lost when migrant workers depart abroad can be rebuilt through community-based entrepreneurial activities. Thus, this study seeks to answer the findings of Wahba and Zenou (2012) about the important role of community-based entrepreneurship in building the social capital of individual migrants when they return to their home countries.

## The Role of Leadership

In the creation and development process of Sahabat Bersama Cooperative, Mr. AF's leadership as the community leader and the chairperson of the cooperative has an important role in realizing the creation of a community-based enterprise beneficial for return migrant workers. Based on interviews with various informants from government agencies and members of the Karawang Migrant Workers Family Community, Mr. AF is believed to be a leader who can mobilize the return migrant workers and advance the business cooperative.

*"...Mr. AF is the leader. If there is no his contribution, it seems like the community's business will stagnate..." (IJ, the Department of Manpower and Transmigration of Karawang Regency officer)*

*"...Mr. AF is a visionary. His idea was how the cooperative product could be sold no longer to stalls but it could be sold to Alfamart and Indomaret. How he has a way of thinking in the future..." (DMD, Department of Cooperatives and Small and Medium Enterprises of Karawang Regency officer)*

*"Mr. AF is a good leader, wise, and kind to the members." (YW, member of Karawang Migrant Workers Family Community)*

In the early days before the organizational establishment, Mr. AF gained the trust of return migrant workers to be willing to join the empowerment program as a participant in entrepreneurship training. It was the main driving factor in the emergence of the idea of creating a community-based enterprise at

Karawang Migrant Workers Family Community. Mr. AF made efforts to gain this trust by approaching and giving an understanding to the return migrant workers and their families about the economic empowerment program through entrepreneurship training so that they were willing to be involved in community entrepreneurship activities in the future. These findings are in line with the study of Munoz et al. (2014), that before the development of any organization begins, community members must be sure of the legitimacy of the community enterprise, which is managed by the community, they build trust and engagement between them.

After completing entrepreneurship training, Mr. AF became the leader in realizing the desires and needs of return migrant workers to make cooperatives as a community business forum. By dividing the role among community members as managers and supervisors of cooperatives, he led the collection of initial cooperative funds and coordinated and consulted with the Department of Cooperatives and Small and Medium Enterprises of Karawang Regency. This finding shows the existence of leadership practices in community-based enterprises called by Hertel (2018) 'community-oriented leadership practice'.

In addition, Mr. AF is also a person who plays an important role in the management of business licensing documents and the development of the Sahabat Bersama Cooperative. By leading cooperation with retail trading companies, cooperative products can be marketed to four cities in the West Java Province. These findings show the existence of leadership practices in community-based enterprises called by Hertel (2018) 'business-oriented leadership practices'.

Thus, it can be concluded that Mr. AF's leadership can influence the success of the creation and development of Sahabat Bersama Cooperative in three ways: (1) mobilizing community members to be involved in the community entrepreneurial process; (2) coordinating and establishing relationships with various stakeholders outside the community; and (3) maintaining the involvement of community members in the process of creating and developing cooperatives. The role of leadership in this community-based enterprise confirms the findings of Parwez (2017) that leadership is the most important factor in community-based

entrepreneurship to recognize opportunities and risks and mobilize capital and capacity. Moreover, according to Nasihin et al. (2023), leadership competency is the most crucial factor in small and medium enterprises (SMEs) development, which can mobilize and coordinate members according to the vision, mission, and goals of the organization.

### **The Role of Institutional Support System**

In the successful creation of Sahabat Bersama Cooperative as a community-based enterprise in the Karawang Migrant Workers Family Community, the public and private sectors play an important role. Before creating cooperatives, the involvement of BP3MI Jawa Barat at that time, through the economic empowerment program for return migrant workers, was an important key in encouraging the emergence of community entrepreneurship activities. BP3MI Jawa Barat's support was also realized in providing assistance in equipment or production machinery that helped the sustainability of the cooperative business. In addition, another form of support is to hold a special exhibition of return migrant workers' products that BP3MI Jawa Barat assisted.

Support from other government agencies that play an important role in the successful creation of a Sahabat Bersama Cooperative is the Department of Cooperatives and Small and Medium Enterprises of Karawang Regency. Through the assistance of capital and marketing of cooperative products, product packaging training, and technical guidance for appropriate technology as well as the provision of business goods production equipment, make the Department of Cooperatives and Small and Medium Enterprises of Karawang Regency a public sector that plays a vital role from the emergence of ideas to the development and expansion of Sahabat Bersama Cooperatives. These findings are in line with research conducted by Widiastuti and Santoso (2022) that government support is needed to improve the quality of human resources of small and medium enterprises (SMEs) through coaching and development.

Other institutional support systems came from the private sector, namely retail trading companies willing to collaborate in marketing Sahabat Bersama Cooperative products. The existence of this

collaboration has made the breadfruit and *ranginang* chips products from Sahabat Bersama Cooperative can be sold to four cities in the West Java Province with a total of 720 minimarket outlets. Business cooperation between cooperative management and retail trading companies significantly influences the expansion of the marketing of cooperative products, so it also impacts the welfare of return migrant workers at the Karawang Migrant Workers Family Community.

These findings confirm the study of Kleinhans (2017), Hertel (2018), and Munoz et al. (2014) about the importance of the public sector in the successful creation of community-based enterprises. In addition, this research also contributes to adding new insights into the importance of the private sector as an institutional support system in the growth and development of community-based enterprises.

### Managerial Implications

The results of this study have implications for stakeholders in return migrant workers' reintegration programs agenda. This study recommends the need for the collaboration of several government agencies that have economic empowerment programs for return migrant workers with the Regency/City Department of Cooperatives and Small and Medium Enterprises that have cooperative development programs. Besides that, consider the private sector's involvement in marketing business products so that the results of the empowerment program can produce community-based enterprise that is beneficial for return migrant workers and can survive in the long term.

In addition, this study contributes not only to the emerging literature on community-based enterprises in the return migrant workers community but also adds to our understanding of return migrant workers in general. This research shows that the success of the return migrant workers' reintegration program through economic empowerment must be supported by initiatives that arise from within return migrant workers themselves. Without the initiative and efforts from return migrant workers to be economically empowered, the empowerment programs provided so far will only end in entrepreneurship training activities.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

This study shows that in creating a community-based enterprise, internal and external community factors play an important role in determining its success. Three forms of social capital (*bonding, bridging, and linking*) play an important role in community-based entrepreneurial activities because they can encourage community participation and form social networks that are useful in the successful creation of a community-based enterprise. In addition, the leadership role of the community leader also has a significant contribution in mobilizing and maintaining community participation and building relationships with stakeholders outside the community to realize the idea of creating a community-based enterprise. The support and involvement of the public and private sectors is another essential factor that cannot be denied in the successful creation of a community-based enterprise.

### Recommendations

This study shows that the role of the private sector as an institutional support system in return migrant workers' entrepreneurial activities can enrich and broaden the research focus on return migrant workers. Future studies can emphasize research on collaboration between public and private stakeholders in empowering return migrant workers, which so far only focuses on the implementation of government programs.

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