

Building an Entrepreneurship Tradition Among Youth in Bondowoso Regency, Indonesia

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ABSTRACT: This study investigates the development of an entrepreneurial tradition among youth in Bondowoso Regency, Indonesia, in 2024. Drawing upon a qualitative methodology with a phenomenological approach, the research aims to understand the meanings and experiences of young entrepreneurs in the region. The findings highlight the interplay between supportive structures (family, education, social networks, and policy) and individual agency (rationalization, motivation, and reflective monitoring) in fostering entrepreneurial spirit. This study emphasizes the need for a comprehensive approach that integrates both structural support and individual capacity building to cultivate a robust entrepreneurial ecosystem among the youth.

KEYWORDS: Entrepreneurship, Youth, Bondowoso

INTRODUCTION

Indonesia is currently positioned within the ASEAN Economic Community (AEC) framework, established to achieve ASEAN economic integration from 2016 to 2025. This initiative aims for a secure ASEAN region with higher and more integrated development dynamics, poverty alleviation, and sustainable and equitable economic growth (MEA Indonesia, 2024). Concurrently, Indonesia faces the demographic bonus period from 2020, peaking in 2035. By 2045, as the nation celebrates a century of independence, it marks a golden moment to realize four development pillars: human development and mastery of science and technology, sustainable economic development, equitable development, and strengthening national resilience and governance (BPS Indonesia, 2023). Productive-age residents (15 to 64 years old), especially youth, are crucial as the generational force driving Indonesia's development, particularly its economy.

The discourse on youth and economic development in Indonesia is intertwined. Historically, the "Youth Pledge" served as a cornerstone of the youth movement and a fighting spirit that propelled Indonesia towards progress. Development falters without a strong work ethic, making youth contributions vital. Youth act as agents of change, moral forces, and social control. Economically, young people can become social entrepreneurs, fostering entrepreneurship, enhancing capabilities, and promoting innovation in production to create creative economic markets that improve community welfare. These young entrepreneurs must be independent, consistent, and adaptable (Dinas Kominfo Provinsi Jawa Timur, 2024).

In Indonesia, the definition of youth is regulated by Law No. 40 of 2009 on Youth, defining them as Indonesian citizens entering a critical period of growth and development, aged 16 to 30 years. This law also emphasizes the strategic functions and roles of youth in integration and development, necessitating the development of their potential through awareness, empowerment, and development as part of national development. Globally, the United Nations (UN) and the World Health Organization (WHO) define youth as individuals aged 15 to 24 years.

In 2022, Indonesia had 65.82 million young people, representing 24% of the total population (BPS Indonesia, 2023). However, data from the Ministry of Cooperatives and SMEs reveal that Indonesia's entrepreneurship ratio is only 3.47%, far from the ideal 12% for a developed nation. A 2019 World Economic Forum (WEF) survey indicated that over a third of youth aged 15-35 aspire to be entrepreneurs. This highlights a significant gap between entrepreneurial aspirations (WEF, 2019) and the actual statistics of young entrepreneurs in Indonesia (2022). Achieving a developed nation status requires a 12% entrepreneurship rate, yet current data shows only around 3.47%.

In Bondowoso Regency, in 2023, out of 449,210 residents aged 15 and above, 94,659 were self-employed, 77,478 were assisted by casual laborers, and 13,713 were assisted by permanent laborers (BPS Kabupaten Bondowoso, 2024). This figure represents a

decrease compared to 2022, where out of 454,395 residents, 101,994 were self-employed, 85,288 were assisted by casual laborers, and 9,611 were assisted by permanent laborers (BPS Kabupaten Bondowoso, 2023).

Conversely, data from BPS Bondowoso Regency (2024) on the Open Unemployment Rate (TPT) shows a decline from 2021 to 2023: from 20,835 (2021) to 20,533 (2022) and 19,432 (2023). The decreasing TPT in Bondowoso Regency aligns with a reduction in poverty in the region. A positive local trend is the rapid increase in the number of Micro, Small, and Medium Enterprises (MSMEs) from 2018 to 2023 (Diskoperindag Kabupaten Bondowoso, 2024). In 2018, there were 39,335 MSMEs, increasing to 39,550 (2019), 39,710 (2020), 39,970 (2021), 40,035 (2022), and 40,212 (2023). This national gap on one hand, and the positive trend in local MSME actors on the other, necessitate a policy climate that encourages entrepreneurial awareness among young people.

METHOD

This study on "Building an Entrepreneurship Tradition Among Youth in Bondowoso" employed a **qualitative research method**. Qualitative research, as defined by Creswell (2015:59), involves an interpretive/theoretical framework that shapes or influences the study of research problems related to the meaning that individuals or groups ascribe to a social or human issue. The **qualitative approach** for this research was **phenomenology**, which aims to reduce individual experiences of a phenomenon to a description of its universal essence or core (Creswell, 2015:105). This phenomenological approach provided ample space for research informants to interpret their experiences as entrepreneurs.

RESULT AND DISCUSSION

Bondowoso Regency is a region in East Java Province, Indonesia, strategically located at the intersection of routes from the administrative areas of Besuki and Situbondo to Jember. Geographically, it lies in the eastern part of East Java Province, approximately 200 km from Surabaya, the provincial capital. Bondowoso Regency is situated between 7°50'10" and 7°56'41" South Latitude and 113°48'10" and 113°48'26" East Longitude. Its total area spans 1,518.774 km², divided into 23 districts, 209 villages, and 10 sub-districts (BPS, 2024).

Bondowoso Regency is divided into three geographical zones: the western region features mountains (part of the Iyang Mountains), the central part consists of high and undulating plains, while the eastern part comprises mountains (part of the Ijen Plateau). Bondowoso is the only regency in the Tapal Kuda (Horseshoe) area of East Java that does not have a coastline, making it predominantly a lowland and highland region. The land conditions in Bondowoso consist of mountains and hills (44.4%), high plains (24.9%), and lowlands (30.7%) of the total area. The mountainous areas in Bondowoso include the Ijen Mountains to the east and the Argopuro Mountains to the west. Rivers in Bondowoso include Deluang River, Sampeyan Baru River, Mrawan River, Tlaga River, and Wonoboyo River (BPS, 2024).

The study interviewed several entrepreneurs in Bondowoso to understand their journeys:

- **Tita Rohayati (35 years old):** Owner of Gerai Dua Lombok since 2019. She holds a D1 degree in Media Engineering from Politeknik Negeri Surabaya - ITS. Tita pioneered a tutoring center and smart children's application in 2012. Her marketing channels include her production house, social media, and modern retail (750 minimarkets and supermarkets across East Java). Her parents were entrepreneurs. She stated, "Great motivation and inspiration are born from reading various books by famous entrepreneurs."
- **Yeyen Rahmawati (26 years old):** Owner of Tape Unang and Keripik Tape Ungu Bondowoso since 2018. She is a part-time student in Computer Engineering at Universitas Bhakti Indonesia, Banyuwangi, and also a teacher. Yeyen has entrepreneurial experience since early childhood (5th grade) due to her parents' upbringing. Her parents were also entrepreneurs. Marketing is done through her production house, resellers, social media, and modern retail specifically for purple tape chips. "My parents' figures are the driving force for my entrepreneurial spirit."
- **Zuhri (34 years old):** Owner of Batik Magenda Bondowoso since late 2015. He is a graduate of SMKN 1 Tamanan, Bondowoso Regency. Marketing is primarily through his outlet/production house and social media. His entrepreneurial inspiration came from Mr. Suprayitno (teacher) and the late Mr. Yuke (batik artist). The discipline from vocational school, the effort to earn grades in practical subjects by selling products, was very meaningful, strengthened by family support (parents). "Business ups and downs, theft, being cheated by partners, and the Covid-19 pandemic almost led to bankruptcy, but the spirit returned when I remembered the message that many Tamanan alumni are competent; this is my capital."



• **Nurul Hidayati (45 years old):** Owner of Tape Crispy GeHael Food Bondowoso since 2019. She has a background in Pharmacy and worked as a pharmacist, resigning after 8 years as Head of Pharmacy Installation at Bhayangkara Hospital Bondowoso. She had 2 years of experience in herbal medicine business. Marketing is through her production house, social media, and resellers on marketplaces. Her large family (8 siblings) consists of entrepreneurs. Motivation was derived from her family's background as businesspeople. "Every entrepreneur goes through a process, they may fail but must value money, not flex, be simple, strengthen their mentality, and be more creative."

The entrepreneurs highlighted in this study are informants with extensive experience in establishing and developing their respective businesses. Their journeys in pioneering and expanding their ventures are the focus of this research, specifically to examine their agency in conducting entrepreneurial activities to date.

This study reveals that throughout their extensive experiences, these entrepreneurs are individuals shaped by various elements such as their social environment, family, education, and so forth. For instance, Nurul, a successful chip entrepreneur, shared that she found her entrepreneurial spirit within her family environment where she grew up. All her family members were businesspeople, and this business-oriented family environment shaped her personality in pursuing the world of entrepreneurship later in life.

A similar story was shared by Zuhri, a batik entrepreneur in Bondowoso. According to him, none of his family members were involved in business. This means that, unlike Nurul, his family environment did not significantly provide entrepreneurial experience. His persistence in the batik business was instead developed in his school environment, specifically at Tamanan Vocational High School. From his teachers, he gained extensive knowledge and inspiration regarding entrepreneurship. Similarly, Zuhri's work environment before starting his own batik business also shaped his entrepreneurial mentality. Thus, his mentality was not formed during primary socialization within the family but occurred in a broader secondary socialization environment.

Reading success stories of entrepreneurs in their respective fields also sparked the informants' interest in the entrepreneurial world. Tita, who runs a seblak business, admitted to being largely inspired by the success stories of major global entrepreneurs. From various books she read, she learned how to become an entrepreneur.

In pioneering and developing their businesses, informants had diverse reasons. These underlying reasons for becoming entrepreneurs are closely related to their individual life experiences. For example, some informants chose to be entrepreneurs due to economic reasons. Limited economic conditions, often facing scarcity, were the reasons why some informants chose to become entrepreneurs. By venturing into business, there was a strong expectation that the economic limitations faced by themselves and their families could change. Economically, there was great hope for a better financial situation in the future through entrepreneurship.

Similarly, social networks were a reason why informants chose to become entrepreneurs or chose specific entrepreneurial products. For instance, Zuhri's immersion with many batik entrepreneurs led to his decision to pursue and persist in the batik business to this day. There were also those who started their businesses due to the scarcity of certain products when choosing their venture. Informant Yeyen, who chose to produce purple tape and purple tape chips, opted for a type of tape different from common Bondowoso tape because of the increasing rarity of local cassava commodities. This led her to shift her business to purple tape, where the supply of raw purple cassava was more abundant.

The journey of the informants in pioneering and developing their businesses has been filled with stories of failure, perseverance, and success. Almost all informants recounted how failures marked their entrepreneurial journeys. Tita shared that when she first started her business, her products were rejected in several places. She described how her processed products were denied entry into modern retail stores like Alfa Mart, Transmart, and others. She directly approached these stores, relying solely on limited information from Google.

"Daring" is the appropriate word to describe her tenacity in striving to get her processed products sold in modern retail. When rejected, Tita always maintained the mindset that rejection is normal. Therefore, rejection never stopped her from trying again. Nurul shared a similar story. Her current business is the result of a process filled with stories of failure. Even before pursuing her current business, Nurul admitted to having tried several types of businesses, all of which could be considered failures. For example, Nurul initially sold herbal medicines, a choice based on her long experience as a pharmacist. However, her business did not go as expected. She then transitioned to other types of businesses until it led her to her current crispy tape business.

In starting their businesses, the informants had diverse desires. These desires motivated them to pursue their current ventures. The strong desire for success in their chosen business, to be beneficial to those around them, and to make their families happy were powerful motivations for the informants to engage in entrepreneurship. Informants' motivations varied due to their differing reasons.



Tita chose to pursue entrepreneurship out of a strong desire for a better life so that she could benefit her community. This motivation led her to pursue the business that now provides her with a better life. Meanwhile, Zuhri had other desires beyond economic ones. His batik business is an effort to develop the batik industry in Tamanan. He has a strong desire to make Tamanan a batik center with a reliable distinctive character.

Yeyen expressed another desire. Her parents were a fundamental reason for her choice to become an entrepreneur. By becoming an entrepreneur, Yeyen had a strong desire to make her parents happy. This made her consistently pursue her business, even when faced with several failures.

Theoretically, efforts to enhance entrepreneurship must be grounded in two dimensions simultaneously: **structure** and **agency**. Structure and agency are like two sides of a coin, dialectically and complementarily related. Entrepreneurs are shaped by both dimensions – by structure and by their competence as agents.

First, **supportive structure**. Information from the informants tells us that entrepreneurs are shaped by various habits, values, rules, and resources within their respective formative environments, whether at the family, educational, social network, or policy/program levels from relevant authorities. In the context of increasing entrepreneurial spirit, this structure must be available in a supportive form for entrepreneurs. The manifestation of this structure primarily concerns regulations and policies that support the entrepreneurial climate. This is crucial to ensure structural support that encourages and opens wide opportunities for the growth and development of entrepreneurship in Bondowoso.

"Structure" here is certainly limited to regulations at certain levels, such as the regional government. Wherever rules are built, including norms and habits formed, structure is available. Therefore, in practice, efforts to improve the entrepreneurial climate for young people must be carried out by various levels of structure that do not stop at formal structures but also informal structures. Formal structures, for example, relate to regulations and policies developed by government agencies, not only at the regional government level but also at the village government level. Meanwhile, for informal structure elements, several components can be involved, such as media, community groups, business actors, and academics. Of course, to ensure all components can be involved, the regional government can act as an orchestrator that moves all components to operate on the same frequency. This frequency relates to efforts to enhance the entrepreneurial tradition, and it must be done continuously.

Through a supportive structure, the space for awakening the agency of young entrepreneurs becomes wider. The available structure is expected to align with the competencies possessed by entrepreneurs as agents. The intent, motivation, and ability of each entrepreneur to respond to the surrounding structure become important components in this context. As previously emphasized, structure and agency are like two sides of a coin that are dialectical and complementary. Both must receive equal attention because the dialectic between these two components enables the formation of competent actors. Someone born into a climate and environment that supports entrepreneurship does not automatically become a successful entrepreneur, especially when there is no motivation or intention to engage in entrepreneurial activities. Nevertheless, this structural component remains important because its existence also empowers the individual. Conversely, someone who has the competence as an agent to carry out entrepreneurial activities can achieve success in their business career even if there is no supportive structural support in the form of policies or regulations. However, with supportive structural support, the chances of success are greater. This reinforces the dialectical relationship between structure and agency.

To build the agency of every person, especially young people, in pioneering and developing businesses, three aspects need to be recognized, as conceptualized by Giddens. These three are the **rationalization of action, motivation for action, and reflexive monitoring of action**. The success stories of entrepreneurs who are subjects in this study inform us that these three aspects mentioned by Giddens are present within them. First, young entrepreneurs must have the ability to **rationalize their actions**. Young entrepreneurs in Bondowoso demonstrate that they are able to identify and realize the reasons that strengthen their decision to choose entrepreneurship. They are also able to identify the reasons for choosing their particular type of business. For example, Tita chose seblak with its uniqueness due to the novelty of the business and the product she produced. Others chose certain businesses because of the availability of resources.

Second, entrepreneurs need to identify and realize **the wants** they wish to achieve through their entrepreneurial activities. The successful young entrepreneurs studied demonstrate this. They are able to identify their motivations in pioneering and developing their businesses. Some are motivated by success, making their families happy, creating job opportunities, and so on. Third, young entrepreneurs must **learn from experiences of failure, success, and the dynamics of their business**. This study reveals how



successful entrepreneurs are not those who never failed in their ventures. On the contrary, they have experienced failures but did not stop trying. Failure is used as a lesson to evaluate what needs to be done. Similarly, existing dynamics also serve as a basis for entrepreneurs to reflect. Regulations, the business climate, and resources become the basis for reflection that underpins the choice to continue the existing business by encouraging structural changes or by re-planning the business they are pursuing.

CONCLUSION

Efforts to strengthen and foster young entrepreneurs require a dual approach. First, a **structural approach** is essential, focusing on the availability of supportive regulations, policies, resources, and a favorable business climate for entrepreneurship. Second, an **agency approach** is equally vital, concerning the development of entrepreneurial mindset and capacity. In this context, it is crucial to empower and raise awareness among young people, fostering their ability to rationalize actions, define motivations, and engage in continuous reflection in their entrepreneurial endeavors. These two approaches cannot operate in isolation; they must work in tandem to create a dialectical relationship that supports the growth and development of an entrepreneurial tradition among youth. Focusing solely on one dimension while neglecting the other can create an unfavorable environment for the flourishing of entrepreneurship.

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