



RESEARCH ARTICLE

Revitalization of Social Capital, Supply-Demand & Food Supply Chain as Strategic Assets in Entrepreneurial Development in Border Areas.

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Abstract

Bengkayang as a border area often faces structural challenges in various sectors of economic development and infrastructure, especially in the food entrepreneurship sector. This research aims to analyze the role and revitalization of social capital as a strategic asset in developing food entrepreneurship in border areas. However, the potential of local entrepreneurship can be developed through the revitalization of social capital, the optimization of supply-demand mechanisms, and the strengthening of the food supply chain. This research aims to examine how these three elements can synergize as strategic assets in encouraging entrepreneurial growth in border areas, especially in Bengkayang Regency, West Kalimantan. The research method uses a qualitative approach with case studies and data collection techniques through in-depth interviews, participatory observation, and document analysis. The results of the study show that the revitalization of social capital can increase access to market information, facilitate collaboration between business actors, and strengthen local institutions. The conclusion of this study confirms that the integration between social capital and an adaptive food supply chain system is able to create a sustainable entrepreneurial ecosystem in border areas.

Keywords: Social capital, food supply chain, supply-demand, entrepreneurship, border areas

Introduction

Bengkayang is one of the city districts located in the province of West Kalimantan which is directly adjacent to the neighboring country of Sarawak Malaysia. Geographical conditions that are across national borders make Bengkayang Regency one of the areas that needs a lot of support in various aspects and one of them is the economic sector. Bengkayang is a gateway in and out between countries, as well as a meeting point for social, economic, and cultural interaction. However, in the development reality, border areas are often faced with structural challenges such as limited *infrastructure*, lack of market access, and weak economic integration with national growth centers. One of the impacts of this condition is the inhibition of entrepreneurial development based on local potential, especially in the food sector. In fact, this sector holds great potential to encourage the economic independence of border communities through supply chain optimization and efficient supply-demand relationship patterns. In the context of sustainable development, it is not enough to develop entrepreneurship only on economic capital, but must also consider the existence of social capital as a collective force that can increase trust, cooperation, and networks between local economic actors.

Social capital in the form of values of togetherness, norms, solidarity, and social networks is an important prerequisite for building inclusive and adaptive local economic governance, especially in border areas that have unique cultural and social characteristics. (Usman et al., n.d.) Social dynamics in border areas are often fragmented due to differences in ethnicity, religion, and access to information,

so revitalization efforts are needed to strengthen social capital as the foundation of local entrepreneurship. On the other hand, the Supply and Demand In the food sector in border areas, it often does not run optimally due to distribution inequality, price fluctuations, and the dominance of products from abroad that enter through unofficial channels. This imbalance has the potential to harm farmers and local business actors who do not have a strong bargaining position in the trading system. Therefore, a revitalization approach to the supply-demand system is important to ensure the sustainability of local food businesses and increase the competitiveness of border products. Next Food Supply Chain (food supply chain) is an inseparable part of the regional entrepreneurship system. An efficient and integrated supply chain can minimize waste, reduce logistics costs, and improve product quality and supply continuity. In border areas, success in building strong food supply chains will support the development of local potential-based entrepreneurship such as agriculture, plantations, livestock, and fisheries, as well as reduce dependence on imported products from neighboring countries. Therefore, the revitalization of the supply chain system is a strategic agenda in increasing economic added value and the sustainability of micro, small, and medium enterprises (MSMEs).

Starting from this background, this article aims to examine in depth the importance of revitalizing social capital, supply-demand systems, and food supply chains as strategic assets in entrepreneurial development in border areas. This research also seeks to provide alternative solutions and integrative models that can be applied by policy makers, business actors, and local communities to build a competitive and sustainable entrepreneurial ecosystem in Indonesia's

border region.

The Agricultural Sector plays an important role in the economic development of a country. Sustainable agricultural development increases agricultural production to meet food and industrial needs in a country.(Kuncoro, 2010) Indonesia is known as a country that has abundant natural resources, a vast and rapidly growing agricultural sector (Marliyana et al, 2023). Bengkayang as an area directly adjacent to Sarawak Malaysia has a large agricultural sector and plays an important role in supporting food security and the local economy. Bengkayang has natural potential that is worthy of development but has not been properly optimized.(Vuspitasari et al, 2021). Agricultural development is the key to success in realizing food security because it makes a direct contribution to food availability, access, and stability.(Christiyanto & Mayulu, 2021).

The main indicator of the success of agricultural development can be seen from food security at the micro level.(Brandao et al, n.d.). Food security is the main pillar in the development and welfare of the community, in border areas often face various challenges of food accessibility and distribution, requires planned and sustainable efforts in optimizing the agricultural sector as the backbone of the economy that is not only able to provide food needs for the local community, but can also contribute to improving the welfare of farmers, opening new jobs, as well as strengthening overall economic resilience with innovation strategies, and better supply chain efficiency, ensuring the availability of sufficient, quality, and affordable food for all levels of society, both now and in the future.(Usman et al, 2023). Bengkayang Regency, as one of the border areas in Indonesia, has a large agricultural sector and plays an important role in supporting food security and the local economy. Despite having abundant natural resources and sufficient agricultural labor, the agricultural sector in this area still faces various challenges in the food supply chain, limited transportation infrastructure, and price fluctuations that affect farmers' welfare and supply stability to consumers. Fluctuations that are too high in the price of food commodities can have a very detrimental impact on farmers, processors, traders, and consumers and have the potential to cause social unrest (Sari, 2010). The increase in food prices is significantly affected by uncontrolled supply. Challenges in the agricultural supply chain: 1. Fluctuations in supply and demand become critical due to weather changes, farming seasons that do not necessarily have a significant effect on farmers' crop yields. 2. Varying product quality is an important issue and requires deep attention. This will certainly have a direct impact on brand image and consumer satisfaction. 3. Infrastructure for transportation has a crucial role in strategic and collaborative efforts between the government, business actors, and farming communities to optimize distribution systems, improve production efficiency, and strengthen food security. Supply Chain: a new concept in the implementation of an integrated logistics system, aiming to improve the efficiency and effectiveness of the distribution of goods and services.(Lambert et al., 1998). Food price disparity in traditional markets is a significant issue, considering that fluctuating prices can have an impact on farmers' welfare and consumer purchasing power. One of the main factors affecting price disparity is the imbalance between supply and demand in the food supply chain. The food supply chain from farmers to consumers involves various nodes that have a strategic role in distribution and price stability. This node point includes producers (farmers), collectors, distributors, retailers, and end consumers. Each stage in the supply chain has its own dynamics that can lead to an imbalance between supply and demand.

Challenges in the food supply chain are increasingly complex due to limited accessibility, cross-border trade regulations, If people are not able to understand and deal with this phenomenon, it is not impossible to become a victim of it.(Stuart Scott, 2016) dependence on supplies from other regions. This causes food prices in traditional markets

to tend to be higher compared to other regions that have better access to food sources. Therefore, node point analysis in the food supply chain is important to understand the factors that contribute to price disparities. The fertile potential of nature does not make people get cheaper food prices but often experience high price trends. If food prices rise, inflation increases. The high price of food has resulted in a decrease in people's purchasing power. With unstable price fluctuations or fluctuations in commodity prices due to an imbalance between the amount of supply of incoming goods and the amount of demand needed by consumers (Irwan, n.d.).

Food price disparities that often occur in traditional markets are caused not only by internal factors such as production fluctuations due to climate change and planting seasons, but also by external factors such as inefficiencies in transportation systems, limited access to capital and technology by farmers, and imbalances between supply and demand that have a direct impact on price volatility at the market level. Therefore, a comprehensive approach to understanding the critical nodes in the food supply chain is an urgent need to identify appropriate policy interventions in order to improve distribution efficiency, accelerate the flow of commodities from producers to consumers, and create sustainable price stability in an effort to support food security in border areas. Sebente Village is one of the villages in Teriak District, Bengkayang Regency. (Usman & Hapsari, 2022). The location of Sebente Village is not so far from the city center. The node point in the supply chain in the border area is a strategic element that determines the efficiency of the flow of goods and services from producers to consumers, where each node serves as a link between suppliers, distributors, and the end market. Application *Supply Chain* It is necessary to be able to provide accurate information to overcome the uncertainty of product demand which results in delays in the supply of raw materials, and causes the production process to stop, therefore *Supply Chain* In its application, it is needed to be able to supply so that it can increase efficiency.(Madani, M., & Rungsrisawat, 2019) A lack of knowledge among stakeholders can significantly affect the overall performance of the supply chain(Lim et al., 2017)

This study was conducted to analyze the supply-demand node points in the food supply chain from farmers to consumers to identify the main factors that affect food price disparity in traditional markets in border areas. By understanding the supply-demand dynamics at each stage of the supply chain, it is hoped that more effective strategies can be formulated in reducing price disparities and improving food security in border areas. This research uses a qualitative approach with a case study strategy, where data is collected through observation, in-depth interviews, documentation, and document analysis from various stakeholders, including farmers, distributors, local governments and other stakeholders. The results of the research conducted are expected to provide good recommendations to improve the efficiency of food distribution and can reduce price disparities in border areas.

Methodology

This research was carried out using a qualitative approach. Qualitative methods are the most suitable choice because: They are able to capture the complexity of local border contexts, which can explain the social and economic dynamics that affect entrepreneurship; and generate an in-depth understanding that is useful for policy and program recommendations. Another reason why this study uses qualitative research methods is because it concerns social capital (trust, social networks, common norms) Food supply-demand patterns in border areas The structure and dynamics of local supply chains, the local context of entrepreneurship is very contextual, social, and often cannot be measured quantitatively. Therefore, qualitative research is more appropriate because: It provides an in-depth understanding of the experiences and practices of local communities, as well as being able to explore the values, social interactions, and informal mechanisms in the supply chain, especially unique border areas,

with distinctive social and economic structure by conducting in-depth interviews with farmers, MSME actors and local traders and conducting direct observations in the market

Results and Discussion

The main purpose of this research is to support the government's strategic program in maintaining food security in border communities. So in this study, the focus is on exploring field data through observation, interview, and documentation instruments to find out 4 things, including: **First;** The results of the study can determine the availability of food productivity of farmers in Bengkayang Regency in the border area. The focus of data mining is related to the level of supply (food products of farmers) and demand (consumption needs of border communities), **Second;** Through this research, it is possible to find out the nodes of the food supply chain from farmers to consumers. Knowing this will be very helpful in controlling the existence of food supply from farmers and there is no price game at every point of the node. **Third;** It is hoped that this research process will be able to contribute both in an effort to increase the production of local food products and maintain the stability of food prices in border areas, so that superior food security programs can be realized in border communities, **Fourth;** Through this study, it can be found out whether the level of supply and demand of food supply contributes significantly to the occurrence of food price disparities in traditional markets in border areas. This study aims to analyze how social capital revitalization, supply-demand dynamics, and food supply chain efficiency can be strategic assets in entrepreneurial development in border areas, especially in Bengkayang Regency, West Kalimantan. The results of the study are presented in three main parts based on the focus of the study, namely: (1) Social Capital, (2) Local Food Supply-Demand Patterns, and (3) Food Supply Chain Effectiveness, as well as their relationship in supporting local entrepreneurship. The Revitalization of Social Capital as a Catalyst for Entrepreneurship is a field finding showing that border communities still have high social capital strength, especially in the form of trust, social networks, and social norms. Local economic activities are often carried out on a community-based basis, such as farmer groups, village cooperatives.

This social capital has not been optimally utilized to encourage entrepreneurship. This is due to: Weak institutional support in forming a community-based entrepreneurial ecosystem; Lack of business assistance and business management training. Social capital revitalization can be carried out through: Strengthening local institutions such as BUMDes and productive farmer groups; Community-based entrepreneurship incubation programs; Involving traditional and religious leaders as agents of socio-economic change. Dynamics of Local Food Supply-Demand Analysis of supply-demand patterns shows that there is an imbalance between local production and market demand, both at the local and regional levels. Some important findings include: surplus horticultural production in some villages is not absorbed by the market due to limited access to distribution and price information; Local consumers tend to choose products from outside the region due to the perception of quality and more competitive prices; The absence of a demand aggregation system allows farmers to scale their production efficiently.

Food demand patterns are also changing, mainly due to: Village urbanization and increasing consumption of processed foods; The entry of modern retail in border areas shifted preferences towards local products. The interventions needed include: Strengthening a simple digital-based market information system; Promotion and branding of superior and distinctive local products; Collaboration between small business actors and cooperatives or regional distributors. Food Supply Chain Efficiency and the Role of MSMEs. The food supply chain in border areas is still dominated by traditional structures, which involve many intermediaries and cause low profit margins for farmers. Key findings: Agricultural products often deteriorate before they reach the market due to poor transport infrastructure.; MSMEs processing agricultural products face unstable and expensive raw material constraints. In the context of entrepreneurial development, an efficient supply chain is essential to ensure business continuity and price stability. Therefore, the recommended revitalization strategy: This study shows that when social capital is strengthened, supply-demand dynamics are managed with business strategies, and supply chains are shortened and optimized, sustainable entrepreneurial

ecosystems will be formed in border areas.

The results of this study confirm that: Social capital is an invisible asset but crucial for forming collective entrepreneurship; Local food supply and demand must be managed as a business opportunity based on local excellence; The food supply chain needs to be reorganized to improve efficiency, competitiveness, and availability of raw materials for small businesses. The revitalization of these three aspects is very important as the foundation for sustainable entrepreneurship development in border areas such as Bengkayang. Cross-sectoral support—government, academia, business actors, and the community—is key to the success of this transformation.

Conclusion

This study concludes that the revitalization of social capital, an in-depth understanding of supply-demand dynamics, and strengthening the food supply chain are strategic foundations in the development of entrepreneurship in border areas. Social capital in the form of trust, community networks, and mutual cooperation values can encourage collaboration between local business actors and strengthen the economic resilience of border communities. On the other hand, the supply-demand imbalance remains a major challenge, triggering price fluctuations and dependence on supply from outside the region. However, with entrepreneurial interventions based on local market data and consumer preferences, new business opportunities can be created to address the specific needs of border communities. An efficient and integrated food supply chain, especially between farmers, distributors, and end consumers, is the main lever for the success of local businesses. Optimizing logistics, digitizing supply information, and building production capacity are the keys to strengthening the competitiveness of local products. Thus, the revitalization of these three components not only has an impact on increasing people's income, but also strengthens economic independence and social stability in border areas. Community-based entrepreneurship, supported by strong social capital and adequate supply infrastructure, is a model of sustainable economic development that is relevant for suburban areas such as Bengkayang Regency and its surroundings.

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