

The Role of Business Education in Promoting Social Entrepreneurship and Poverty Alleviation in Low-Income Communities

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Abstract

Poverty alleviation remains one of the global challenges that continue to be a primary focus in the sustainable development agenda. Social entrepreneurship emerges as a business model with the potential to provide sustainable solutions through innovative approaches and an orientation towards achieving social benefits. This research aims to analyze the role of education in promoting social entrepreneurship and poverty alleviation in low-income communities. The research methodology encompasses the approaches used in the literature review. A qualitative approach is the main focus to gain deep insights into this topic. The data used comes from reliable sources, namely Google Scholar, covering the period 2001-2024. The study results show that business education has significant potential in promoting social entrepreneurship and alleviating poverty in low-income communities. To achieve this, a holistic approach is needed that includes the integration of social entrepreneurship principles into the curriculum, development of practical skills through hands-on experience, collaboration among stakeholders, policy support, and strong impact measurement.

Keywords: Business Education, Social Entrepreneurship, Poverty, Community, Low Income

Peran Pendidikan Bisnis dalam Mempromosikan Kewirausahaan Sosial dan Pengentasan Kemiskinan di Komunitas Berpenghasilan Rendah

Abstrak

Pengentasan kemiskinan merupakan salah satu tantangan global yang terus menjadi fokus utama dalam agenda pembangunan berkelanjutan. Kewirausahaan sosial muncul sebagai model bisnis yang berpotensi memberikan solusi berkelanjutan melalui pendekatan yang inovatif dan orientasi pada pencapaian manfaat sosial. Penelitian ini bertujuan untuk menganalisis peran pendidikan dalam mempromosikan kewirausahaan sosial dan pengentasan kemiskinan di komunitas berpenghasilan rendah. Metode penelitian ini merangkum pendekatan yang digunakan dalam tinjauan pustaka. Pendekatan kualitatif menjadi fokus utama untuk mendapatkan wawasan mendalam tentang topik ini. Data yang digunakan berasal dari sumber terpercaya, yaitu Google Scholar, dengan jangkauan periode 2001-2024. Hasil studi menunjukkan bahwa pendidikan bisnis memiliki potensi besar dalam mempromosikan kewirausahaan sosial dan mengentaskan kemiskinan di komunitas berpenghasilan rendah. Untuk mencapai hal ini, diperlukan pendekatan yang holistik yang mencakup integrasi prinsip-prinsip kewirausahaan sosial dalam kurikulum, pengembangan keterampilan praktis melalui pengalaman langsung, kolaborasi antar stakeholder, dukungan kebijakan, serta pengukuran dampak yang kuat.

Kata kunci: Pendidikan Bisnis, Kewirausahaan Sosial, Kemiskinan, Komunitas, Penghasilan Rendah

INTRODUCTION

The alleviation of poverty is one of the ongoing global challenges that remains a primary focus in sustainable development agendas (Pan et al., 2021). Various efforts have been made by governments and international organizations to reduce poverty levels, yet this challenge persists, particularly in low-income communities. In this context, social entrepreneurship emerges as a business model that has the potential to provide sustainable solutions through innovative approaches and a focus on achieving social benefits.

Effective social entrepreneurship not only requires innovative ideas but also demands strong managerial skills and a deep understanding of business (Ridwan Maksum et al., 2020). Therefore, the role of business education becomes crucial, especially in providing the knowledge and skills needed to start and manage social enterprises. Business education, particularly when integrated with the principles of social entrepreneurship, can play a strategic role in equipping individuals, especially from low-income communities, with the ability to identify opportunities, design sustainable business models, and implement strategies that can bring about social and economic change.

In the context of Indonesia, where a large portion of the population still faces economic and social challenges, business education focusing on social entrepreneurship becomes highly relevant. Increased access to quality business education is expected to strengthen the capacity of local residents, drive innovation, and create job opportunities, ultimately helping to reduce poverty levels in these communities.

However, despite the recognized potential of business education in supporting social entrepreneurship, there remains a gap in research regarding how specifically business education can be tailored to enhance the effectiveness of social entrepreneurship among low-income communities. Questions about the most effective curriculum, teaching methods, and integration with local needs remain areas that need further exploration.

This research aims to fill this gap by evaluating the role of business education in promoting social entrepreneurship and addressing poverty. It is hoped that the findings of this research can provide practical recommendations for education providers and policymakers to optimize curricula and teaching methods that support the development of social entrepreneurship in Indonesia. Through this approach, this research contributes not only to academic literature but also to teaching practices and public policy by offering new insights into addressing the challenges of poverty alleviation through business education and social entrepreneurship.

Business Education

Business Education comprises a series of educational programs designed to provide the knowledge, skills, and understanding necessary for individuals to succeed in the business world (Harahap et al., 2023). It includes a deep understanding of business concepts such as management, marketing, finance, operations, and strategy, along with practical skills in data analysis, decision-making, communication, and leadership. The primary aim of business education is to equip students with the necessary knowledge to understand the complex business environment, develop effective strategies, and manage businesses

efficiently, whether in the context of large corporations or entrepreneurship (Manafe et al., 2023). Additionally, business education also imparts an understanding of ethical aspects and social responsibility in business, promoting sustainability, innovation, and a positive contribution to society and the environment (Hopia et al., 2023; Sahtoni et al., 2023).

Social Entrepreneurship

Social entrepreneurship refers to business practices that combine economic goals with sustainable social or environmental objectives (Fhiri et al., 2021). This means that in addition to seeking financial profit, social entrepreneurship also aims to create positive social change or maintain ecological balance. Examples of social entrepreneurship include establishing enterprises to address social issues such as poverty, unemployment, access to education or healthcare, and environmental protection. The approach to social entrepreneurship often involves innovation in business models, the use of technology, strategic partnerships with governments or non-profits, and a strong focus on the social impact generated by the venture. The ultimate goal of social entrepreneurship is to create sustainable social value while maintaining financial viability, thus improving social and environmental conditions in a more inclusive and sustainable way (Marin, 2018).

Poverty

Poverty is a condition where individuals or groups lack adequate access to the economic, social, and cultural resources necessary to meet their basic needs, such as food, clothing, decent housing, education, and healthcare services (Gweshengwe & Hassan, 2020). It also includes limited access to the same opportunities and rights as other individuals in society. Poverty can be relative, measured based on comparisons with the standard of living common in a particular society, or absolute, measured against a globally established poverty line based on basic needs (Jolliffe, 2001). Factors contributing to poverty include unemployment, low education levels, income inequality, lack of access to basic services, conflicts or natural disasters, and non-inclusive economic and social policies. Efforts to address poverty include economic empowerment programs, education, social services, social protection, and policies oriented toward inclusion and social justice.

Community

A community is a group of individuals or groups living or working together in a common area or environment, whether in a geographical, social, cultural, or shared interest context (Bradshaw, 2008). Communities may include diverse groups such as families, local neighborhoods, non-governmental organizations, or specific interest groups like arts communities or business communities (Haldane et al., 2019). Relationships within a community can be based on various factors including shared values, cultural traditions, similar purposes, or common interests. Communities often have organized social structures, such as governance or networks that facilitate interaction and collaboration among members (Nurhadi et al., 2022). The importance of a community lies in its ability to support the exchange of knowledge, culture, resources, and to facilitate solidarity, social support, and collective development in achieving shared goals and interests.

Low Income

Low income refers to a relatively small or below-standard level of income deemed insufficient to meet the basic needs of an individual or family (Nyiwul Mabughi & Tarek Selim, 2006). Low income often reflects economic conditions where individuals or families face difficulties in meeting needs such as food, clothing, housing, education, and healthcare services. Factors that can lead to low income include low education levels, high unemployment rates, limited access to economic opportunities, and a lack of access to social services and infrastructure supporting economic well-being. Low income can have significant impacts on the welfare of individuals and communities, including financial instability, limited access to quality healthcare, restricted educational opportunities, and difficulties in accessing decent housing (Hernández, 2016). Efforts to address low income often involve economic empowerment programs, education and job training, social protection, and inclusive economic policies to enhance access and economic opportunities for those with low income.

METHOD

This research method summarizes the approaches used in the literature review regarding the role of business education in supporting social entrepreneurship and addressing poverty in low-income communities. A qualitative approach is the main focus to gain deep insights into this topic. Data used comes from reliable sources, namely Google Scholar, covering the period from 2001-2024. Initially, 50 articles were found, but through a rigorous selection process based on relevance and quality criteria, only 25 articles were deemed most relevant and useful for further analysis. Descriptive analysis was used as the primary method to summarize and analyze the content of the selected articles. This approach allows for the identification of key findings, patterns, and key concepts emerging from the reviewed literature. The interpretation of the results from this analysis will contribute to a deeper understanding of the relationship between business education, social entrepreneurship, and poverty alleviation efforts in low-income communities. This research is expected to provide valuable insights for practitioners, educational organizers, and policymakers in developing more effective strategies and programs to address these socio-economic challenges.

FINDING AND DISCUSSION

The role of business education in promoting social entrepreneurship and poverty alleviation in low-income communities is an important and urgent topic. In many countries, especially in developing countries, poverty is still a major problem that hinders economic and social development (Mansi et al., 2020). Business education, with a focus on social entrepreneurship, offers sustainable solutions that can help reduce poverty and improve the quality of life in low-income communities.

Social entrepreneurship is an approach that combines innovation, resources and opportunities to address complex social problems (Sampaio & Sebastião, 2024). In contrast to traditional entrepreneurship that generally focuses on wealth creation, social

entrepreneurship focuses on creating sustainable social solutions by prioritising social impact in line with achieving profits. It becomes important as a means of poverty alleviation as it not only creates jobs but also addresses the causes of poverty directly.

Business education has the potential to play a vital role in shaping future entrepreneurs who are not only business savvy but also have a strong social commitment (Mahmudin, 2023). Through a curriculum integrated with social entrepreneurship principles, students can develop a deeper understanding of how businesses can be run in an ethical and responsible manner. Such curricula can include case studies of successful social businesses, the development of innovative business models, and strategies to measure and optimise social impact.

Effective business education in the context of social entrepreneurship should include a strong practical component (Mir Shahid & Alarifi, 2021). This could be in the form of real projects in low-income communities, internships with organisations focused on social development, or business simulations that allow students to apply theory in real-life scenarios. Through these practical experiences, students learn not only about business theory but also about the real challenges faced by low-income communities, as well as effective ways to address those challenges through social innovation and entrepreneurship.

Developing an extensive network between universities, industry, and low-income communities is key to improving the effectiveness of business education in the field of social entrepreneurship (Miah et al., 2024). This collaboration can assist in the provision of resources, mentorship, and access to wider markets for products or services developed by social entrepreneurs. These networks are also important for securing policy support and access to funding, both of which are crucial for the scale and sustainability of social entrepreneurship initiatives.

To maximise the impact of business education on social entrepreneurship, supportive policies from educational institutions and governments are required (Apostolakis, 2011). Educational institutions can provide incentives for faculty and students to explore and develop social initiatives. On the other hand, government policies can support through fiscal incentives, subsidies, or special programmes that support the development of social entrepreneurship, particularly in low-income communities.

Business education should endeavour to not only inspire entrepreneurship but also instil the importance of innovation and sustainability (Said Ahmad et al., 2023). This includes lessons on efficient use of resources, social marketing, and the development of products that are not only economical but also environmentally friendly and accessible to low-income communities.

It is important for business education focused on social entrepreneurship to have a robust impact measurement mechanism. This not only helps in understanding the effectiveness of the initiatives undertaken but also in enhancing transparency and accountability. Impact measurement can include indicators such as the number of jobs created, increased community income, measurable social change, and long-term sustainability of the social business (Rawhouser et al., 2019).

The challenges of integrating business education with social entrepreneurship in low-income communities can be complex. From limited access to technology and infrastructure to fundamental cultural and social issues, business education must be able to effectively address these barriers. This could involve developing culturally sensitive programmes, building supporting infrastructure, and advocating for policy changes that support inclusivity and equitable access.

Business education is not only about creating qualified business leaders but also about spreading knowledge and best practices into society at large (Dwivedi et al., 2023). Through research publications, seminars, conferences, and collaboration with the media, educational institutions can be a driving force in spreading innovative ideas and solutions that have proven effective in addressing poverty and promoting social entrepreneurship.

In addition to direct education of aspiring entrepreneurs, business education can also play an important role in promoting corporate social responsibility among established companies. By including modules on business ethics, social responsibility and social entrepreneurship principles in the business curriculum, educational institutions can mould business leaders who have a more holistic understanding of the role of business in Society (Zahra et al., 2009).

With a strong integration of business education, social entrepreneurship and poverty alleviation in low-income communities, we can create an enabling environment for social innovation, inclusive economic growth and improved well-being for all. This requires close collaboration between educational institutions, government, industry and communities to achieve the greater common goal of building a more just and sustainable society.

CONCLUSION

The conclusion of the argument is that business education has great potential in promoting social entrepreneurship and alleviating poverty in low-income communities. To achieve this, a holistic approach is required that includes integration of social entrepreneurship principles in the curriculum, development of practical skills through hands-on experience, collaboration between stakeholders, policy support, and robust impact measurement. Suggestions that can be given are:

1. Curriculum Integration: Support the integration of social entrepreneurship principles in the business education curriculum to form socially committed future entrepreneurs.
2. Practical Experience: Strengthen practical experience through real projects, internships, or business simulations in low-income communities to enhance students' understanding and skills.
3. Collaboration: Encourage collaboration between educational institutions, government, industry and communities to provide resources, mentorship, access to markets, policy support and funding for social entrepreneurship initiatives.

4. Impact Measurement: Develop robust impact measurement mechanisms to evaluate the effectiveness of social entrepreneurship initiatives and increase accountability.
5. Policy Advocacy: Encourage policy support from educational institutions and government through incentives, subsidies, or special programmes that support the development of social entrepreneurship in low-income communities.
6. Publication and Dissemination: Disseminate knowledge and best practices through research publications, seminars, conferences, and collaboration with media to inspire and expand positive impact.
7. Corporate Social Responsibility: Integrate modules on business ethics, social responsibility and social entrepreneurship principles in the business curriculum to shape socially responsible business leaders.

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