

Strategies for Community Empowerment through Social Entrepreneurship to Support Sustainable Economic Development

Amruddin^{1*}, Ahmad Yani², Abu Muna Almaududi Ausat³

¹*Universitas Muhammadiyah Makassar, amruddin@unismuh.ac.id*

²*Sekolah Tinggi Manajemen LABORA, Indonesia*

³*Universitas Subang, Indonesia*

Abstract

This study aims to examine strategies for community empowerment through social entrepreneurship in supporting sustainable economic development. Using a literature review approach and descriptive analysis, the research explores relevant literature published between 2017 and 2024. Data were collected from 30 articles on Google Scholar, which were then filtered to 18 articles meeting quality and relevance criteria. The findings indicate that social entrepreneurship positively impacts community empowerment by creating sustainable economic and social opportunities. Case studies analyzed, such as Nglanggeran Tourism Village, Sababay Winery, and Difalink, highlight that cross-sector collaboration, technology adoption, and data-driven management are key success factors. However, challenges such as limited access to capital, infrastructure, and technology hinder the implementation of social entrepreneurship. Therefore, collaboration between government, private sector, and communities is essential to overcome these barriers and enhance the effectiveness of community empowerment through social entrepreneurship.

Keywords: Community Empowerment, Social Entrepreneurship, Sustainable Economic Development

Strategi Pemberdayaan Komunitas melalui Kewirausahaan Sosial untuk Mendukung Pembangunan Ekonomi Berkelanjutan

Abstrak

Penelitian ini bertujuan untuk mengkaji strategi pemberdayaan komunitas melalui kewirausahaan sosial dalam mendukung pembangunan ekonomi berkelanjutan. Dengan pendekatan tinjauan pustaka dan analisis deskriptif, penelitian ini mengeksplorasi berbagai literatur yang relevan yang diterbitkan pada periode 2017-2024. Data diperoleh dari 30 artikel yang diambil dari Google Scholar, yang kemudian diseleksi menjadi 18 artikel yang memenuhi kriteria kualitas dan relevansi. Hasil penelitian menunjukkan bahwa kewirausahaan sosial dapat memberikan dampak positif terhadap pemberdayaan komunitas, dengan menciptakan peluang ekonomi dan sosial yang berkelanjutan. Studi kasus yang dianalisis, seperti Desa Wisata Nglanggeran, Sababay Winery, dan Difalink, menunjukkan bahwa kolaborasi lintas sektor, adopsi teknologi, dan pengelolaan berbasis data merupakan faktor kunci keberhasilan. Meskipun demikian, penelitian ini juga menemukan bahwa tantangan seperti keterbatasan akses modal, infrastruktur, dan teknologi masih menghambat implementasi kewirausahaan sosial. Oleh karena itu, kolaborasi antara pemerintah, sektor swasta, dan masyarakat sangat penting untuk mengatasi hambatan tersebut dan meningkatkan efektivitas pemberdayaan komunitas berbasis kewirausahaan sosial.

Kata kunci: Pemberdayaan Komunitas, Kewirausahaan Sosial, Pembangunan Ekonomi Berkelanjutan

INTRODUCTION

Sustainable economic development has become a global priority in addressing economic inequality, poverty, and environmental degradation (Khan et al., 2022). This is particularly important in developing countries like Indonesia, where balancing economic



growth with social and ecological sustainability is increasingly urgent. In this context, social entrepreneurship emerges as an innovative approach that integrates economic goals with social impacts, offering sustainable solutions to challenges faced by communities, particularly in vulnerable areas. This concept seeks to empower communities by creating social value that holistically enhances economic, social, and environmental well-being.

Social entrepreneurship differs from conventional entrepreneurship in its primary focus on generating positive social impacts rather than purely financial profits (Anele Mthembu & Brian Barnard, 2019). In Indonesia, various social entrepreneurship programs have been implemented to empower local communities through resource-based business development, skills training, and women's empowerment. For instance, the "Rumah Tempe Indonesia" program in Bogor successfully integrates sustainable business practices with the empowerment of tempe artisans, delivering significant economic and social benefits. This study highlights that social entrepreneurship not only boosts income but also strengthens social cohesion within communities.

In the context of sustainable economic development, community empowerment through social entrepreneurship can act as a catalyst for achieving the Sustainable Development Goals (SDGs) (Kalendzhjan & Kadoi, 2022). Specifically, goals such as poverty alleviation, the creation of decent work, and reducing inequality can be addressed through this approach. However, despite its significant potential, the implementation of social entrepreneurship at the community level faces numerous challenges, such as limited access to funding, managerial capacity constraints, and low technology adoption. A comprehensive strategy is therefore required to overcome these obstacles and ensure that initiatives deliver sustainable impacts.

Community empowerment through social entrepreneurship also requires synergy among various stakeholders, including governments, the private sector, educational institutions, and civil society organizations. This collaboration is crucial to ensure that essential resources, such as funding, technology, and training, are accessible to target communities. An example is the collaboration between local governments and technology companies in Banyuwangi, which supports local MSMEs in adopting e-commerce to expand their markets. This strategy demonstrates that the success of social entrepreneurship heavily depends on effective cross-sector collaboration (Pache et al., 2022).

Moreover, cultural aspects and local wisdom are important factors in designing empowerment strategies through social entrepreneurship (Wibowo et al., 2023). In Indonesia, many communities have significant potential in the form of unique cultural products or services, such as traditional crafts, local cuisine, and eco-tourism. Social entrepreneurship can serve as a means to preserve local culture while creating economic value for communities by leveraging these potentials. However, without proper management, this potential risks overexploitation, threatening the sustainability of existing resources.

To support sustainable economic development, community empowerment through social entrepreneurship needs to adopt a long-term impact-oriented approach. This

approach includes data-driven strategic planning, continuous monitoring and evaluation, and strengthening community capacities to adapt to change. This way, communities become both beneficiaries and active agents of change in the process of inclusive and sustainable economic development.

This study also underscores the critical role of technology in supporting community empowerment through social entrepreneurship. Technology can enhance operational efficiency, expand market access, and strengthen communication between social entrepreneurs and their consumers or partners (Sutrisno et al., 2023). For example, the use of digital platforms like marketplaces or social media enables entrepreneurs in remote areas to reach broader markets without relying heavily on physical infrastructure. Thus, technology becomes a crucial tool in amplifying the impact of social entrepreneurship on sustainable economic development.

The objective of this research is to identify effective strategies for community empowerment through social entrepreneurship to support sustainable economic development. This study aims to provide in-depth insights into best practices by employing a literature review approach, challenges, and opportunities associated with implementing social entrepreneurship in various contexts, particularly in Indonesia. It also seeks to offer policy recommendations to foster a conducive ecosystem for the growth of social entrepreneurship and community empowerment.

Community Empowerment

Community empowerment refers to the process through which individuals or groups within a community acquire the ability to identify, address, and manage the challenges they face while leveraging available opportunities to enhance their well-being (Malta, 2023). This empowerment process involves building capacity and knowledge, providing access to resources, and encouraging active participation in decision-making. They become more self-reliant and capable of overcoming social and economic challenges by empowering communities, fostering sustainable positive changes in their lives.

Social Entrepreneurship

Social entrepreneurship is a form of entrepreneurship that focuses on creating solutions to social and environmental issues through business approaches (Benavides et al., 2023). Unlike traditional entrepreneurship, which prioritizes financial profit, social entrepreneurship emphasizes positive and sustainable social impact. These ventures aim to benefit society, such as improving well-being, education, or environmental preservation, while operating with efficient and sustainable business models. Social entrepreneurship often involves innovation and creative strategies to address existing social challenges.

Sustainable Economic Development

Sustainable economic development refers to growth that achieves economic progress while ensuring that its benefits are accessible to all segments of society without depleting natural resources or compromising the well-being of future generations (Klarin, 2018). This development approach integrates three key dimensions—economic, social, and

environmental—to create long-term prosperity that is fair and inclusive. Within this context, community empowerment and social entrepreneurship serve as critical tools, as they can generate employment, increase income, and reduce social inequality while preserving environmental sustainability for future generations.

METHOD

This study employs a literature review method with a qualitative approach to explore strategies for community empowerment through social entrepreneurship in supporting sustainable economic development. The qualitative approach was chosen for its ability to delve deeply into the concepts, practices, and challenges relevant to the topic based on available literature. Descriptive analysis is used to systematically present patterns, findings, and trends identified in the reviewed literature. The data for this research was collected by searching for relevant academic articles on the Google Scholar platform within the publication range of 2017 to 2024. Keywords used in the search included "social entrepreneurship," "community empowerment," "sustainable economic development," and other related terms in both English and Indonesian. The initial search yielded 30 articles relevant to the research topic. Data selection was conducted rigorously in multiple stages. First, articles were filtered based on the relevance of their titles and abstracts to the research focus. Second, articles that passed the initial screening were further analyzed for content relevance, publication quality, and methodological alignment with the research objectives. Following this selection process, only 18 articles met the criteria for in-depth analysis. Each selected article was analyzed using content analysis techniques to identify key themes, research gaps, and best practices relevant to community empowerment through social entrepreneurship. The findings from this analysis are presented in a narrative format to provide a comprehensive understanding of the contributions of social entrepreneurship to sustainable economic development.

FINDING AND DISCUSSION

Community empowerment through social entrepreneurship is a strategy that emphasizes providing access to economic opportunities, knowledge, and resources to create sustainable social impacts, such as poverty alleviation, reducing inequality, and environmental conservation. Unlike conventional entrepreneurship, which focuses on financial profit, social entrepreneurship integrates social values at every stage of its activities to ensure long-term benefits for target communities. In Indonesia, the Bina Swadaya Foundation exemplifies the implementation of this strategy, particularly for small farming communities (Nawala Bisma, 2024). This foundation enhances farmers' incomes and strengthens the economic independence of communities through capacity-building training, microfinance access for business capital, and the development of marketing networks. This success is evident in the increased economic stability of farmers, who can now manage their harvests more efficiently and achieve optimal market value, thereby improving their welfare without compromising environmental sustainability principles.

Social entrepreneurship in sustainable economic development serves as a driving force for community transformation by optimizing local potential to create balanced economic, social, and environmental impacts. In the context of Nglanggeran Tourism Village in Yogyakarta, the ecotourism approach embodies social entrepreneurship, combining local wisdom with environmental conservation as its foundation (Nugroho & Muhamad Supraja, 2017). The program includes intensive training to become tour guides knowledgeable in cultural and ecological values, the management of homestays with professional service standards by involving the community as the main actors, and the production of handicrafts based on local materials, such as chocolate and traditional souvenirs. As a result, the program not only increases community income through business diversification but also revitalizes cultural identity that was at risk of fading due to modernization while preserving the area's biodiversity. This model exemplifies the synergy between social and community-based economic innovation, strengthening local economic resilience and ensuring the sustainability of ecosystems and cultural heritage for future generations.

The implementation of social entrepreneurship at the community level often faces complex challenges that hinder the optimization of social and economic impacts, such as limited capital, technology, and supporting infrastructure. The "Kopi Rakyat" initiative in Flores, East Nusa Tenggara, illustrates how empowering local coffee farmers through quality improvement training can produce high-quality coffee (Pasandaran et al., 2018). However, expanding market reach remains a challenge due to insufficient access to digital technology and adequate transportation infrastructure. Farmers often struggle to sell their products to broader markets, particularly in the face of increasingly digital global competition. This situation highlights the importance of strategic collaboration between the government, which can provide basic infrastructure and technology training, and the private sector, which can offer access to e-commerce platforms or broader distribution networks. Social enterprises like "Kopi Rakyat" have the potential to increase farmers' incomes and create more inclusive and sustainable value chains in the agribusiness sector with integrated support.

The synergy between the government, educational institutions, and local communities is key to the success and sustainability of social entrepreneurship programs, especially in maximizing regional potential holistically. The "Kampung Markisa" program in Tangerang is a concrete example of how cross-sector collaboration can provide innovative solutions to local challenges (Irfan, 2019). In this program, local universities play a crucial role by providing science- and technology-based entrepreneurship training, helping the community develop more efficient managerial and production skills. Meanwhile, the regional government expands market access through promotional initiatives and trade fair facilitation. Additionally, the local community is empowered to independently manage passionfruit-based businesses, from production to distribution, thereby creating new jobs, increasing incomes, and reducing dependence on the informal sector. This collaboration delivers significant economic impacts, fosters community independence, and promotes

environmental sustainability through ecosystem-friendly approaches, making it a relevant model for replication in other regions with similar local potential.

Data-driven management is a crucial element in supporting the success of social entrepreneurship programs, especially in creating efficiency, transparency, and sustainability in supply chains. The "Sababay Winery" program in Bali is a successful example of how technology can integrate local grape farmers into a more competitive production ecosystem (Wiryanata, 2022). The program enables grape farmers to identify best practices in cultivation, reduce waste, and ensure consistent results that meet industry standards by leveraging digital technology for crop yield recording, market demand analysis, and quality monitoring. In addition to improving operational efficiency, this approach strengthens farmers' bargaining positions within the value chain, enhancing their competitiveness against imported products. This model demonstrates significant potential for replication in other agribusiness sectors, such as coffee or spices, which face similar challenges in production efficiency and market access. It also underscores the importance of technology as a lever for community empowerment through social entrepreneurship.

Social entrepreneurship plays a strategic role in empowering marginalized groups, such as women and persons with disabilities, by creating job opportunities while promoting broader social inclusion. A concrete example of this potential is the "Difalink" initiative in Indonesia, a platform designed to assist persons with disabilities in becoming self-employed through digital skills training (Difalink, 2024), such as graphic design, online marketing, and technology-based entrepreneurship. This initiative provides marginalized groups with access to participate in the digital economy, transforming societal perceptions of the abilities of persons with disabilities and accelerating social change toward equality. "Difalink" helps reduce structural barriers like social stigma and limited access to formal employment by fostering their participation in the entrepreneurial ecosystem. This model exemplifies how social entrepreneurship can be designed inclusively, ensuring its benefits are felt across all societal layers while expanding its social impact by empowering groups often marginalized in traditional economic structures.

The adoption of digital technology has become a key driver in expanding the impact of social entrepreneurship, particularly in enhancing operational efficiency and market access for small and medium enterprises (SMEs). The "Krealogi" program serves as a concrete example of how digitalization empowers creative SMEs in Indonesia (Krealogi, 2024). SME actors receive training to utilize digital technologies through this platform, such as social media marketing, cloud-based inventory management systems, and e-commerce, enabling them to reach wider markets and improve operational efficiency. This program illustrates that digitalization functions not only as a tool to optimize business processes but also as a catalyst for more inclusive and sustainable economic transformation, allowing local communities to access opportunities that were previously out of reach. Thus, digital literacy training becomes a crucial element of community empowerment strategies, ensuring communities can keep pace with technological advancements and leverage them to drive economic growth and create sustainable social impacts.

Sustainability in social entrepreneurship, particularly regarding environmental conservation, poses a significant challenge that requires innovative solutions to integrate economic aspects with environmental protection efforts. The "Plastavfall Indonesia" initiative in Bali stands out as an excellent example of how social entrepreneurship can create positive impacts for both the economy and the environment (Surya, 2018). The program reduces the volume of plastic waste polluting the environment while creating value-added products that can be marketed by utilizing plastic waste as raw material for producing paving blocks. This approach involves local communities in the production process, providing them with opportunities to earn additional income and raising awareness about the importance of waste management and recycling. This model demonstrates how social entrepreneurship can support sustainable economic development by prioritizing ecological principles without compromising economic profitability. Such initiatives showcase the potential for integrating entrepreneurship with environmental conservation to open new business opportunities aligned with societal and planetary needs.

Identifying best practices in social entrepreneurship is essential to ensuring long-term success and sustainable impacts. One key practice proven effective is the active involvement of the community in every stage of program planning and implementation, fostering a sense of ownership and responsibility for the project's success. The "Aruna" program in Indonesia, which supports local fishermen, serves as a prime example of this model (Aruna, 2024). In this program, fishermen are engaged not only in the fishing process but also in seafood processing and product marketing, granting them greater control over the quality and pricing of their catch. This approach focuses on income enhancement while empowering the community, reducing dependence on third parties, and building solidarity among fishermen. The program strengthens the competitiveness of local fishermen, creating an economically viable model while bolstering social capacity to address challenges in the fisheries industry by providing training and better market access. It underscores that the success of social entrepreneurship heavily relies on empowering and actively involving the communities it serves.

Community empowerment through social entrepreneurship has proven to be an effective approach to driving sustainable economic development. However, achieving this success depends significantly on cross-sector collaboration, technology adoption, and the long-term application of sustainability principles. The success of social entrepreneurship is often achieved through synergies among governments, private sectors, educational institutions, and local communities, which collectively support various aspects, from skill training to infrastructure development and market access. Technology plays a critical role in broadening the impact of social entrepreneurship by improving operational efficiency and opening wider market access for previously marginalized communities. A long-term sustainability-oriented approach, as seen in various successful case studies, ensures that social entrepreneurship projects provide immediate economic benefits while creating enduring social impacts. Indonesia can design more effective empowerment strategies that integrate economic, social, and environmental dimensions by learning from and adapting

the best practices of these case studies, ensuring inclusive and sustainable development across the country.

CONCLUSION

Community empowerment through social entrepreneurship is an effective strategy to support sustainable economic development. This concept emphasizes not only economic benefits but also the creation of positive social and environmental impacts. The study found that the success of empowerment programs heavily depends on cross-sector collaboration, the adoption of digital technology, and data-driven management. Examples of successful programs such as Desa Wisata Nglanggeran, Sababay Winery, and Difalink demonstrate that an integrated approach can generate significant social impacts and economic sustainability for local communities. However, challenges such as limited access to capital, infrastructure, and technology remain barriers that need to be addressed through more targeted efforts.

The findings of this study provide practical implications for policymakers, educational institutions, and community organizations to enhance their focus on developing social entrepreneurship as a solution to social and economic issues. Governments can formulate incentive policies to support social enterprises, such as subsidies or tax relief for community-based programs. Educational and training institutions play a crucial role in building community capacity through entrepreneurship training, digital literacy, and financial management. Additionally, private companies can collaborate with communities to create sustainable, socially impactful business models.

Recommendations for fostering social entrepreneurship include improving access to financing for initiatives through programs like Kredit Usaha Rakyat (KUR), specifically tailored for community-based enterprises. Educational institutions should integrate social entrepreneurship curricula into both formal and informal education programs to equip communities with relevant skills. Social organizations are encouraged to expand partnerships with the private sector to enhance operational capacity and broaden the market reach of social entrepreneurship programs. Additionally, local communities should actively participate in the planning and implementation of these programs to ensure their sustainability and foster a sense of ownership over the initiatives.

This research is limited to a literature analysis of 25 articles selected based on specific criteria. Focusing on literature published between 2017–2024 may result in underrepresentation of older but still relevant findings. Additionally, the qualitative approach provides in-depth insights but lacks quantitative measurement, making the results interpretive in nature. The study also examines only a few specific case examples, leaving out diverse geographical contexts that may influence the success of social entrepreneurship programs. Further research is needed to explore the impact of social entrepreneurship in broader and more diverse contexts.

ACKNOWLEDGEMENT

We would like to express my deepest gratitude to all those who have supported and contributed to the completion of this work.

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