

STRENGTHENING SOCIAL ENTREPRENEURSHIP: INCLUSIVE SOLUTIONS FOR EMPOWERING MARGINALIZED COMMUNITIES WITH DOMPET DHUAFA

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Abstract

This study aims to analyze the effectiveness of the social entrepreneurship program implemented by Dompot Dhuafa in empowering marginalized communities in Indonesia. A quantitative approach was employed with a survey method involving 120 respondents who are beneficiaries of the social entrepreneurship program. Data collection was conducted through questionnaires and interviews, while data analysis utilized multiple regression and moderation analysis. The findings reveal that the social entrepreneurship program significantly increased the average income of respondents by 80%, from IDR 1,500,000 to IDR 2,700,000 per month. Social capital was found to play a moderating role, strengthening the relationship between program intervention and socio-economic changes. This study concludes that social entrepreneurship is an effective approach to creating sustainable social impacts, although challenges remain in market access and technological integration.

Keyword: *Social Entrepreneurship; Empowerment; Marginalized Communities; Social Capital*

A. INTRODUCTION

Social entrepreneurship is an innovative approach that integrates business principles with a social mission to create sustainable solutions to problems faced by society. This approach is becoming increasingly relevant in the context of Indonesia, which has a large and diverse population, with significant levels of economic inequality. Marginalized groups, such as informal workers, small farmers and the urban poor, are often the most vulnerable to economic, environmental and social change. They face structural constraints, such as limited access to education, capital and adequate economic infrastructure (Bornstein & Davis, 2010). In this situation, social entrepreneurship offers a mechanism for empowerment through job creation, capacity building, and the establishment of inclusive economic networks (Yunus, 2010).

Dompot Dhuafa, as one of the largest philanthropic institutions in Indonesia, has played an important role in initiating various social entrepreneurship programs. These programs not only focus on direct assistance, but also on empowering marginalized communities through training, mentoring, and providing business capital. According to Dompot Dhuafa's annual report (2022), more than 50% of the agency's programs are geared towards supporting the economic independence of the poor and vulnerable. These programs show promising results in improving household income and the quality of life of beneficiaries. However, there are still challenges in scaling up and sustaining the impact of these programs, such as limited resources, lack of synergy with the private sector, and cultural barriers that hinder social innovation (Fauzia & Abdillah, 2014; Terry, 2019).

The urgency of this research lies not only in the pressing need to address poverty and inequality, but also in the importance of strengthening the capacity of marginalized communities to be more resilient in the face of global economic dynamics. Previous studies have shown that social entrepreneurship can be a significant catalyst for change, especially in developing country contexts (Dees, 2001; Smith et al., 2016). However, there is a lack of research that specifically explores how collaboration between philanthropic institutions and local communities can be optimized to achieve greater impact. With a focus on the social entrepreneurship program run by Dompot Dhuafa, this study aims to fill this knowledge gap and provide evidence-based guidance to improve existing approaches.

This research has several main objectives. First, to analyze the effectiveness of the social entrepreneurship program implemented by Dompot Dhuafa in empowering marginalized communities. Second, to identify the factors that influence the success and challenges faced in the implementation of the program. Third, to provide strategic recommendations that can be adopted by other philanthropic institutions, the government, and the private sector in designing and running similar programs. The contributions of this research include academic and practical aspects. From the academic side, this

research enriches the literature related to social entrepreneurship in the context of empowering marginalized communities in Indonesia, which is still limited. From the practical side, this research is expected to be a reference for policy makers and field actors in designing more effective and sustainable empowerment programs (Yunus, 2010; Terry, 2019).

With this approach, the research is expected to answer several important questions, such as the extent to which social entrepreneurship programs are able to change the mindset and economic independence of marginalized communities, as well as how cross-sector collaboration models can be utilized to increase the scale and impact of the program. The results of this research are also expected to make a positive contribution to poverty alleviation and inclusive economic development in Indonesia, as well as strengthen the position of social entrepreneurship as one of the main solutions to address social challenges in the modern era.

B. LITERATURE REVIEW

Social Entrepreneurship Concepts and Theories

Social entrepreneurship is an innovative approach that integrates entrepreneurial elements with a social mission to create positive change in society. This concept is growing along with the increasingly complex social and economic challenges faced by marginalized communities, especially in developing countries such as Indonesia (Bornstein & Davis, 2017). Social entrepreneurship emphasizes not only on economic value creation, but also on sustainability and broad social impact. Dees (2018) defines social entrepreneurship as an activity undertaken to solve significant social problems through innovation and social impact-oriented business models.

Social entrepreneurship theory refers to the importance of three key components: innovation, sustainability and social impact. Innovation serves to create new approaches to solving social problems, while sustainability refers to the ability of social enterprises to keep running without dependence on external assistance. Social impact, as the ultimate goal, is measured through the positive changes experienced by the beneficiary community (Yunus, 2018).

Social capital theory is also an important foundation in the context of social entrepreneurship. Putnam (2020) explains that social capital, which includes social networks, trust and collaborative norms, has a significant role in supporting the success of social entrepreneurship programs. Social capital allows social entrepreneurs to build relationships that support information distribution, resource access and collaboration with various parties, including local communities and supporting institutions.

The Role of Social Entrepreneurship in Empowering Marginalized Communities

In the context of empowering marginalized communities, social entrepreneurship serves as a strategic tool to address social and economic inequality. Marginalized communities often face challenges such as low levels of education, limited access to business capital, and minimal opportunities to participate in formal economic activities (Fauzia & Abdillah, 2021). Social entrepreneurship provides opportunities through individual capacity building, business mentoring, and integration into market networks.

In addition, Handani and Supriatna (2020) also underline that the success of social entrepreneurship requires synergy between various actors, including the government, private sector, philanthropic institutions and communities. This collaborative approach helps create an ecosystem that supports social innovation and sustainable development.

Research by Smith et al. (2020) showed that community-based social entrepreneurship programs were able to increase household income by 35% within three years. These programs not only provide economic benefits, but also empower beneficiaries to become agents of change in their communities. In addition, this research highlights the importance of involving local communities in program design and implementation to make it more relevant to their needs.

In Indonesia, the role of philanthropic organizations such as Dompot Dhuafa is significant in supporting social entrepreneurship. According to Dompot Dhuafa's annual report (2022), more than 50% of the institution's programs are geared towards empowering marginalized communities through an entrepreneurial approach. An example of a relevant program is productive zakat-based small business assistance that aims to increase the economic independence of beneficiaries. Fauzia and Abdillah (2021) note that this kind of program not only reduces dependency on direct assistance, but also increases beneficiaries' confidence in managing their businesses.

Previous Research

Various studies have discussed the impact of social entrepreneurship on the empowerment of marginalized communities. Terry (2019) highlighted that one of the main challenges in implementing

social entrepreneurship programs is the community's lack of understanding of sustainable business concepts and lack of access to technology. However, this study also found that programs that involve intensive training and mentoring are more likely to be successful in building the economic independence of the community.

Research by Smith and Stevens (2020) also shows the importance of technology as an enabler in supporting social entrepreneurship. By utilizing digital technology, social entrepreneurs can expand market access, improve operational efficiency, and expand collaboration networks. This study emphasizes that technology integration in social entrepreneurship is no longer an option, but a strategic necessity to increase scale and impact.

Research Conceptual Framework

Based on theory and previous research, the conceptual framework of this study is designed to analyze the relationship between social entrepreneurship interventions conducted by Dompot Dhuafa and the socio-economic impact on marginalized communities. The independent variable in this study is the social entrepreneurship intervention, which includes training, mentoring, and providing business capital. The dependent variable is socio-economic change in the beneficiaries, as measured by increased income, economic independence, and quality of life. Moderating factors such as social capital, education level, and access to technology were also analyzed to understand their influence on the relationship between the independent and dependent variables, including the research conceptual framework.

C. METHODS

1. Data and Data Collection Techniques

This research uses a quantitative approach with primary and secondary data as the main source:

- a. Primary data was obtained through a survey using a structured questionnaire given to beneficiaries of the Dompot Dhuafa social entrepreneurship program. Respondents were selected using purposive sampling method with certain criteria, such as having participated in the program for at least one year and having a micro business.
- b. Secondary data was obtained from Dompot Dhuafa's annual report, scientific journals, books, and articles relevant to the topic of social entrepreneurship and empowerment of marginalized communities.

2. Data collection techniques include:

- a. Distribution of questionnaires through digital platforms and direct interviews with respondents.
- b. Literature study to support theory validation and provide additional context to the analysis.

3. Research Model

This research model is designed to measure the effect of social entrepreneurship intervention on socio-economic change in marginalized communities.

4. Operational Definition of Variables

The operational definitions of the variables used in this study are described in Table 1 below.

Table 1. Operational Variables

Variabel	Indikator
Variabel Independent : Program Intervention	Entrepreneurship Training
	Business Mentoring
	Business Capital
Variabel Dependen : Socio-Economic Changes	Monthly Income
	Economic Independence
	Quality of Life
Variabel Moderasi : Social capital	Jaringan Sosial
	Trust
	Collaboration Norms

5. Data Analysis Method

The data obtained was analyzed using quantitative statistical methods:

- 1) Descriptive Analysis
Describing the characteristics of respondents, such as age, gender, education level, and type of business.
- 2) Inferential Analysis

- a. Validity and Reliability Test
To measure the accuracy and consistency of the questionnaire using Cronbach's Alpha.
- b. Multiple Regression
To examine the relationship between social entrepreneurship intervention (independent variable) and socio-economic change (dependent variable), with social capital as a moderating variable.
- c. Moderated Regression Analysis (MRA)
To examine the moderating effect of social capital on the relationship between program interventions and socio-economic change.

6. Research Process

The research stages are described in detail as follows.

- 1) Data Collection
- 2) Data Analysis
- 3) Report Preparation

This research uses a comprehensive scientific approach to answer the research questions and makes a significant contribution to the development of social entrepreneurship as an inclusive solution for the empowerment of marginalized communities.

D. RESULTS AND DISCUSSION

Research Results

This research produced a number of significant findings related to the effectiveness of the social entrepreneurship program implemented by Dompot Dhuafa in empowering marginalized communities. The following is a description of the research results based on the data and analysis conducted:

Respondent Characteristics

The study involved 120 respondents who are beneficiaries of Dompot Dhuafa's social entrepreneurship program. The majority of respondents were female (60%) with a junior high school education (41.7%). Most respondents have businesses in the culinary field (41.7%), followed by crafts (29.2%), and others (29.2%). These characteristics reflect that the program beneficiaries come from marginalized communities with limited access to education and economic opportunities.

Increased Income

The social entrepreneurship program shows a significant impact on increasing beneficiaries' income. Before joining the program, the average monthly income of respondents was Rp1,500,000. After joining the program, the average income increased to Rp2,700,000, showing an increase of 80%. This finding shows that program interventions, such as entrepreneurship training, business mentoring, and capital provision, successfully increased the capacity of beneficiaries to generate higher income.

The Role of Social Capital

Social capital has been shown to play an important role in supporting the success of social entrepreneurship programs. Respondents who had stronger social networks, high levels of trust within the community, and good norms of collaboration showed greater increases in income compared to respondents who had low social capital. Regression analysis results show that social capital strengthens the relationship between program interventions and socio-economic change with a moderation coefficient of 0.405 ($p < 0.05$).

Increased Economic Independence

In addition to increased income, the program has also succeeded in increasing the economic independence of beneficiaries. Most respondents reported that they are no longer dependent on social assistance and are able to manage their businesses independently. The entrepreneurship training provided has equipped beneficiaries with skills in business management, marketing, and product development strategies.

Quality of Life

Beneficiaries report improvements in quality of life after participating in the program. Quality of life indicators measured include access to basic needs, education and health. Respondents stated that the increase in income gave them the ability to better meet family needs and access education and health services that were previously difficult to access.

Challenges and Barriers

While the program has had significant positive impacts, there are several challenges that need to be addressed to improve the sustainability of the program. The main challenges identified include limited access to broader markets, lack of adoption of digital technology, and cultural barriers that hinder

business innovation. These challenges indicate the need for further synergy between Dompot Dhuafa, the private sector, and the government to support the scale and sustainability of the program.

Statistical Significance

The regression test results show that the social entrepreneurship program intervention has a significant influence on the beneficiaries' socio-economic changes with a coefficient of 0.625 ($p < 0.05$). This indicates that any increase in the quality and intensity of program interventions will result in a significant positive impact on the economic well-being of beneficiaries.

Discussion

Increase in Respondents' Income

The results showed that the social entrepreneurship program succeeded in increasing the average income of respondents by 80%. This finding is in line with research by Smith et al. (2020), which shows that social entrepreneurship-based programs can have a significant impact on increasing household income. Interventions such as training, mentoring, and providing business capital have helped beneficiaries to be more productive and economically independent.

The Role of Social Capital

Social capital proved to be a significant moderating factor in supporting the success of the program. This supports Putnam's (2020) view, which explains that social networks and community trust play an important role in strengthening individuals' capacity to access economic opportunities. In this study, respondents who had higher social capital tended to experience greater increases in income.

Implications for Sustainability

The increased income and self-reliance of beneficiaries reflect the potential sustainability of the social entrepreneurship program. However, challenges such as market access and technology still need further attention. As stated by Terry (2019), program sustainability can be achieved through strengthening synergies with external parties, including the private sector and government.

Comparison with Previous Studies

The results of this study are consistent with the findings by Handani and Supriatna (2020), which state that social entrepreneurship is a social innovation capable of creating systemic change in marginalized communities. This research makes an empirical contribution by highlighting the importance of social capital as a supporting factor for program success.

E. CONCLUSIONS

This study concludes several main findings that answer the research objectives and problems, as follows:

1. Effectiveness of Social Entrepreneurship Program

The social entrepreneurship program implemented by Dompot Dhuafa has proven effective in increasing the income and economic independence of marginalized communities. The average increase in income of 80% after joining the program shows that interventions such as training, mentoring, and providing business capital contribute significantly to the socio-economic changes of beneficiaries.

2. The Role of Social Capital

Social capital has a significant moderating influence on the relationship between program interventions and socio-economic change. Respondents with higher social networks and levels of community trust showed better outcomes in income generation and business independence.

3. Sustainability of Social Impact

The research results show the potential sustainability of the impact of the social entrepreneurship program. Beneficiaries not only experience an increase in income, but also an increase in capacity to manage the business independently. This indicates that the program has a long-term impact on empowering marginalized communities.

Research Limitations

The limitation of this study lies in its limited geographical coverage, which only includes beneficiaries of the Dompot Dhuafa program in certain areas, especially in Bandung City. In addition, this study has not fully examined the influence of external factors, such as government policies or macroeconomic conditions, on program success.

This research provides theoretical contributions by enriching the literature related to social entrepreneurship in Indonesia as well as practical contributions in the form of recommendations to increase the scale and sustainability of social entrepreneurship programs through synergies between

actors, especially philanthropic institutions, the private sector, and the government. Further research is recommended to expand the coverage area, integrate external factors in the analysis, and evaluate the sustainability of program impacts over a longer period of time.

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