

Developing Regional Potential through Social Entrepreneurship to Alleviate Local Community Poverty

R Tri Priyono Budi Santoso^{1*}, Dermawan Waruwu², Gusti Ngurah Joko Adi Negara³, Gerson Feoh⁴, I Wayan Ruspendi Junaedi⁵

¹ Master of Management Study Program, Universitas Dhyana Pura, Indonesia

² Humanity Study Program, Universitas Kristen Duta Wacana, Yogyakarta, Indonesia

³ Master of Management Study Program, Universitas Dhyana Pura, Indonesia

⁴ Study Program of Informatics Engineering, Universitas Dhyana Pura, Indonesia

⁵ Master of Management Study Program, Universitas Dhyana Pura, Indonesia

*Corresponding Author: budisantoso@undhirabali.ac.id

Citation: Santoso, R. T. P. B., Waruwu, D., Negara, G. N. J. A., Feoh, G. & Junaedi, I. W. R. (2025). Developing Regional Potential through Social Entrepreneurship to Alleviate Local Community Poverty, *Journal of Cultural Analysis and Social Change*, 10(4), 2073-2081. <https://doi.org/10.64753/jcasc.v10i4.3142>

Published: December 11, 2025

ABSTRACT

Poverty remains a significant challenge in many parts of Indonesia, especially in rural areas. Social entrepreneurship offers a promising and innovative approach to addressing poverty by harnessing the potential of local resources. This article investigates the development of regional potential by implementing social entrepreneurship as a strategy for empowering local communities. Besides the economic profits, social entrepreneurship also focuses on improving social welfare and ensuring environmental sustainability. This study employed a descriptive-qualitative method with a case study approach in underdeveloped regions of Kupang Regency and Timor Tengah Selatan Regency, East Nusa Tenggara Province, Indonesia, rich in untapped natural and cultural resources. The findings of this research highlighted that (1) regional prospects can be developed through social entrepreneurship; (2) social entrepreneurship affects poverty alleviation in local communities; (3) the primary challenges in implementing social entrepreneurship at the local level; and (4) an effective model of social entrepreneurship for managing regional potential. Social entrepreneurship fosters job creation, enhances community income and strengthens regional competitiveness. This article recommends enhancing community capacity through training, access to capital, and ongoing mentoring to promote local innovation. Developing regional potential through social entrepreneurship can serve as a strategic solution for poverty eradication and supporting sustainable development.

Keywords: Regional Potential Development, Social Entrepreneurship implementation, Entrepreneurship, Social Entrepreneurship, Local Community.

INTRODUCTION

Poverty remains a global issue and a significant challenge to development, particularly in developing nations like Indonesia. In many regions, especially rural areas, poverty is driven by limited access to education, capital, and adequate employment opportunities. Despite Indonesia's wealth of natural and cultural resources, numerous regions remain trapped in a cycle of poverty due to restricted economic opportunities and insufficient resource management. Leveraging social entrepreneurship as a primary tool for empowering local communities offers a promising solution to these challenges.

Social entrepreneurship is an approach that integrates social objectives with business activities to produce sustainable change in communities. It acts as a strategic tool for community empowerment by integrating economic

goals with social and environmental missions. Unlike traditional entrepreneurship, it prioritizes addressing societal challenges such as poverty, unemployment, and inequality alongside generating economic value. Social entrepreneurship empowers local communities to harness their natural resources, skills, and cultural assets effectively. Consequently, it serves as a key driver for enhancing community welfare and resolving enduring social issues.

The social entrepreneurship implementation at the regional level is expected to create new employment opportunities, develop community skills, and build supportive social networks. Regional potential, which has often been underutilized, can be fully realized through social enterprises rooted in local wisdom and community empowerment. Thus, a deeper exploration of how social entrepreneurship can provide effective solutions for poverty alleviation in priority areas is essential.

The urgency of this research stems from several factors: (1) Persistent poverty remains prevalent in many regions of Indonesia, particularly in rural areas, necessitating the development of more integrated and sustainable strategies; (2) Significant regional potential, including natural resources, cultural heritage, and local wisdom, remains underutilized, underscoring the need for innovative management approaches; (3) Although social entrepreneurship is increasingly recognized as a viable concept, its implementation at the local level, particularly in rural community empowerment, is insufficiently understood, highlighting the necessity of a scalable and adaptable model; (4) This study supports key objectives of the Sustainable Development Goals (SDGs), including poverty eradication, decent work, economic growth, and the reduction of inequalities.

Based on the background provided, the primary issues explored in this article are as follows: First, how can regional potential be identified and developed through social entrepreneurship? Second, what are the models and best practices for implementing social entrepreneurship in these areas? Third, what are the main challenges in applying social entrepreneurship for poverty alleviation in local communities? These issues are analyzed employing a qualitative descriptive method with a case study approach in East Nusa Tenggara, specifically in Kupang Regency and Timor Tengah Selatan (TTS) Regency. The relevant theories for examining and analyzing these issues include the empowerment theory, which emphasizes the importance of community empowerment through access to resources, active participation, and the strengthening of local capacities to drive social change (Friedmann, 1992). The theory of social entrepreneurship proposes creating entrepreneurial activities through sustainable innovations that integrate economic orientation with addressing social problems, positioning communities as primary agents in finding solutions to social issues within society (Dees, 1998; Rachim & Santoso, 2023; Halaissi & Benalla, 2024). The social capital theory, which utilizes networks, trust, and shared norms, is a key element in the success of social entrepreneurship because it supports collaboration and the sustainability of local initiatives (Putnam, 1993; Field, 2014; Waruwu et al., 2020).

Nevertheless, the main aims of this study are to identify regional potentials that can be developed through social entrepreneurship, analyze the role of social entrepreneurship in addressing poverty within local communities, and provide recommendations for the effective and sustainable implementation of social entrepreneurship. The theoretical benefits include contributing to the concepts and literature development on social entrepreneurship as a strategy for regional development. Practical benefits involve offering guidance and recommendations for governments, communities, and businesses in utilizing social entrepreneurship based on regional potential. Policy benefits include supporting the formulation of policies that promote social entrepreneurship for community empowerment and sustainable development. Therefore, this study is expected to maximize regional potential as a strategic solution for poverty alleviation and supporting inclusive and sustainable regional development, particularly in Kupang Regency and Timor Tengah Selatan Regency, East Nusa Tenggara Province, Indonesia.

LITERATURE REVIEW

While there is already a considerable amount of study on the development of regional potential and poverty, studies examining the application of social entrepreneurship to address poverty within local communities are still relatively limited. Therefore, several literature reviews have been conducted to refine the study and analysis regarding regional potential development through social entrepreneurship implementation to tackle local poverty, as outlined below.

Definition and Role of Social Entrepreneurship

Social entrepreneurship involves the application of entrepreneurial principles to address social challenges by simultaneously creating economic and social value. It aims to find innovative solutions to social problems by optimizing local resources (Dees, 1998). Social entrepreneurship involves identifying opportunities to generate social value rather than personal or shareholder wealth, developing sustainable business models, and engaging various stakeholders in its implementation (Thompson, 2002; Yaumidin, 2013). The primary focus of social

entrepreneurship is the sustainability of social outcomes, rather than merely economic profit. It is an innovative approach that integrates entrepreneurial principles with a social mission to create a lasting impact. This approach is increasingly recognized as a transformative tool supporting sustainable development, especially in empowering marginalized communities. Social entrepreneurship and the social economy continue to play a crucial role in enhancing community resilience to urgent challenges such as the Covid-19 pandemic, climate change, inequality, and sustainable development by offering innovative solutions tailored to local needs (Pośpiech & Nghargbu, 2024). Valuable insights are gained into how social entrepreneurs can continue to lead the way toward a fairer and more sustainable future. In regions rich in natural and cultural resources, social entrepreneurship can serve as a means to empower communities and alleviate poverty.

Potential as a Regional Development Capital

Regional potential includes natural, cultural, and social resources that can be utilized to navigate development. Managing these regional potentials based on the needs and aspirations of local communities is a strategic approach to reducing poverty in an area (Chambers, 1983; Noor, 2011). These resources are often overlooked due to a lack of knowledge, capital, and access to markets. Social capital highlights that the success of regional development depends on communities' ability to build networks, trust, and collaboration (Putnam, 1993; Waruwu & Mudana, 2018). This social capital forms a critical foundation in social entrepreneurship, supporting the participatory management of local potential.

Social Entrepreneurship and Poverty Alleviation

Poverty is a complex issue requiring a multi-sectoral approach to address it effectively. Jeffrey D. Sachs' strategy for poverty alleviation emphasizes empowering communities through improved access to resources and strengthening local capacities (Renwarin, 2016). The concept of fortune at the bottom of the pyramid (BoP) illustrates that the poverty-striken community have significant potential as producers and consumers when empowered through innovative approaches such as social entrepreneurship (Prahalaad, 2004). The World Economic Forum underscores the role of social entrepreneurship in reducing poverty through inclusive business models. For example, initiatives like Medtronic LABS utilize technology to provide affordable healthcare services to underserved populations. In developing markets, social entrepreneurship also plays a crucial role in expanding access to renewable energy and creating jobs, the key steps in breaking the cycle of poverty (Schwab, 2024). In this context, social entrepreneurship offers solutions by creating employment opportunities, increasing income, and strengthening local economic competitiveness. By involving communities in the value-creation process, social entrepreneurship can be an effective tool for social transformation.

Global Trend and Hindrance

The Global Entrepreneurship Monitor (GEM) 2023/2024 highlights the importance of fostering an environment conducive to social entrepreneurship. Prominent barriers include inadequate regulations, limited access to funding, and fear of failure. Additionally, women social entrepreneurs face higher challenges compared to men, requiring more targeted support (Global Entrepreneurship Monitor, 2024).

Successful Social Entrepreneurship Models and Practices

Recent literature identifies themes such as decarbonization, the circular economy, and local food systems as new focuses for social entrepreneurship. These themes align with global sustainable development goals, highlighting how social entrepreneurship adapts to address environmental and social challenges. For example, renewable energy initiatives in coal-dependent regions demonstrate the role of social entrepreneurship in driving systemic change within resource-based economies (Pośpiech & Nghargbu, 2024). Various social entrepreneurship models have been implemented in several countries, focusing on local resource management.

1. **Grameen Bank (Bangladesh).** Grameen Bank is a pioneering microfinance institution founded by Muhammad Yunus, providing financial access to the poverty-striken community for starting small businesses. This model demonstrates that financial inclusion can be a powerful tool for poverty alleviation (Nurhayati, 2016). The Grameen Bank model has been adopted by the Provincial Government of West Nusa Tenggara, offering unsecured cash loans through group formation of 5-10 people, selecting a group leader, with the funds utilized for productive economic activities (Khalik, 2020).
2. **Barefoot College (India).** Barefoot College is a program focused on empowering rural communities by providing training in simple, technology-based skills, such as solar energy, to support sustainable development in remote areas (Bhattacharya, 2023).
3. **Kampung Marketer (Indonesia).** Kampung Marketer is a local initiative that empowers rural youth to work as digital marketers, allowing them to earn an income without migrating to bigger cities (Wijaya et al., 2020).

Challenges in Implementing Social Entrepreneurship

Supporting social entrepreneurship is crucial for driving systemic change, particularly in environments with limited resources. Policy recommendations should focus on improving access to funding, fostering a supportive ecosystem, and integrating social entrepreneurship into national development strategies. For example, in Indonesia, the Ministry of National Development Planning has utilized social entrepreneurship to enhance financial inclusion and reduce poverty, highlighting its potential as a complement to public policy (Schwab, 2024). Despite this, several challenges remain in its implementation, including limited access to funding and resources, insufficient community capacity due to inadequate education and training, and regulatory ambiguity and a lack of government support, all of which hinder the sustainability of social entrepreneurship initiatives.

The above studies highlight the importance of social entrepreneurship concepts and models as a holistic approach to developing regional potential and alleviating poverty. Social entrepreneurship delivers a comprehensive solution to poverty by optimally leveraging local resources. The theories utilized in this study include community empowerment theory (Friedmann, 1992), social entrepreneurship theory (Dees, 1998), and social capital theory (Putnam, 1993). It highlights the crucial role of collaboration among the government, community, and private sector in creating sustainable impacts. However, challenges in implementation, such as limited capital, community capacity, and regulatory issues, remain significant barriers that must be addressed through innovative strategies and supportive policies. The findings of this study aim to provide new insights into effective social entrepreneurship models within the context of empowering local communities in impoverished regions, particularly in East Nusa Tenggara Province, Indonesia.

RESEARCH METHOD

This study was conducted in Kupang Regency and Timor Tengah Selatan (ITS) Regency, East Nusa Tenggara Province. These two districts are among the most underdeveloped and improved regions in Indonesia, based on the assessments by the Central Government. The research utilized a qualitative methodology, described in written form based on observations, interviews, documents, socialization, focus group discussions, and social realities or data found at the research sites (Creswell, 2019; Farid & Adib, 2018; Moleong, 2019). The qualitative approach utilized was to gain an in-depth and contextual understanding of the application of social entrepreneurship in developing regional potential and alleviating poverty. The study focuses on local community life, local resource availability, existing social entrepreneurship programs, social entrepreneurs, and local government as stakeholders involved in policy development and program support for poverty alleviation in these regions.

The data collection techniques in this study included in-depth interviews, participatory observation, documentation, and focus group discussions (FGDs). Interviews were conducted with social entrepreneurs, local communities, village leaders, and government officials in the two districts to investigate their perceptions, experiences, and challenges. A semi-structured interview guide was utilized to maintain flexibility in investigating new topics, ensuring more in-depth and comprehensive results. Observations were carried out by directly observing the lives of improved local communities and the implementation of social entrepreneurship programs. Documentation involved collecting secondary data, such as poverty statistics, regional potential data, activity reports, local policies, and publications related to social entrepreneurship in the research areas. FGDs were organized by facilitating group discussions with local communities, regional governments, and social entrepreneurs to identify regional potentials, challenges, and collaborative solutions aimed at reducing poverty in these areas.

This study employed a thematic analysis approach to identify patterns and key themes within the data (Heriyanto, 2019). The process begins with transcribing the interviews and observations and then highlighting relevant data segments aligned with the research objectives. Themes were identified by grouping codes into broader categories, including regional potential, social impact, and implementation challenges. The categorized data were then interpreted by constructing a narrative that explored relationships between the themes to address the research questions. Moreover, the use of triangulation techniques was to ensure the credibility and accuracy of data validation. Source triangulation involved comparing data from interviews, observations, and documentation, while methodological triangulation integrated interviews, observations, and FGDs to strengthen the findings.

All data were analyzed and reviewed using the theories of social entrepreneurship, social capital, and sustainable development. According to Dees (1998), social entrepreneurship is a form of creating social value through innovation and entrepreneurial principles. This approach emphasizes social and environmental sustainability, engaging communities in addressing social issues, including poverty. Unlike traditional entrepreneurship, social entrepreneurship prioritizes social objectives, with economic profit serving as a supporting tool to ensure the initiative's sustainability. In the context of regional potential development, this theory is particularly relevant for fostering local community empowerment through the management of natural, cultural, and social resources.

The theory of social capital, encompassing networks, norms, and trust, plays a pivotal role in the success of collective initiatives (Putnam, 1993). This theory supports social entrepreneurship by fostering collaboration among local communities, enhancing participation and program sustainability, and promoting shared responsibility in achieving social goals. In the context of regional potential development, social capital strengthens the integration of communities, governments, and the private sector, leading to broader social impact.

The sustainable development theory, as outlined in the Sustainable Development Goals (SDGs), highlights the importance of an integrative approach that combines economic growth, social well-being, and environmental preservation. Goals relevant to social entrepreneurship within this framework include poverty alleviation, promotion of decent work and economic growth, and reduction of inequality. Social entrepreneurship is crucial in advancing the sustainable development agenda by managing regional potential based on social, economic, and environmental values.

This theoretical framework underpins the analysis, exploring how social entrepreneurship can maximize regional potential by engaging local communities and ensuring sustainable social impact. The study highlights key findings, including mapping regional potentials suitable for development through social entrepreneurship, the identification of effective models for poverty alleviation, and strategic policy recommendations for regional development rooted in social entrepreneurship principles. The methodology is structured to offer a comprehensive understanding of the interplay between social entrepreneurship, regional potential management, and poverty reduction while proposing practical solutions adaptable to other regions.

RESULT AND DISCUSSION

Based on research conducted in Kupang Regency and Timor Tengah Selatan (TTS) Regency, East Nusa Tenggara Province, regarding the development of regional potential through the implementation of social entrepreneurship to address local community poverty, the results and discussion are presented as follows.

Regional Potential can be Developed through Social Entrepreneurship

The regional potential development through social entrepreneurship has proven to be an effective approach to optimizing local resources. Kupang Regency and Timor Tengah Selatan (TTS) Regency in East Nusa Tenggara Province are rich in local resources, including agricultural products such as rice, coconuts, and vegetables; traditional handicrafts like weaving; fisheries; and nature- and culture-based tourism, including ecotourism and village tourism. Kupang Regency, in particular, boasts significant potential in horticulture, fisheries, and livestock, as noted by Mr. Mesak Soleman Elfeto, Assistant II for Economic Affairs, Development, and Human Resources of Kupang Regency (Interview, Mesak, July 2024). Its tourism assets include white sandy beaches, ecotourism forests, and scenic landscapes in West Amarasi District, along with attractions such as Crystal Cave and other caves in Bolok Village, West Kupang District. The region's cultural heritage, including welcoming guests with betel nuts, traditional weaving, and local culinary specialties such as sei babi (smoked pork), further enhances its tourism appeal.

The utilization of regional potential plays a significant role in alleviating poverty in underdeveloped areas. A successful social entrepreneurship model in reducing poverty can be observed in West Nusa Tenggara, India, and Bangladesh (Khalik, 2020; Bhattacharya, 2023; Wijaya et al., 2020). The success of design-based social entrepreneurship has notably improved the welfare of bamboo artisans in Padakembang Village, Tasikmalaya Regency while preserving the traditional craftsmanship of creative bamboo-making as a form of local wisdom (Susanti & Rachmaniar, 2024). Additionally, community-based tourism management has significantly increased the income of local communities (Kusumah, 2023).

Local-level social entrepreneurship not only generates economic benefits but also strengthens the social fabric of communities. It aligns with social capital theory, which emphasizes that community-based management of natural or cultural resources can enhance social bonds and build trust among community members (Putnam, 1993). Through social entrepreneurship, communities are empowered to manage their local potential independently, ultimately improving their welfare and reducing reliance on external assistance (Dees, 1998). Furthermore, sustainable social entrepreneurship must integrate economic, social, and environmental dimensions (Elkington, 2007). In this regard, social entrepreneurship can create jobs, preserve local culture, and promote environmental sustainability.

The Impact of Social Entrepreneurship on Poverty Alleviation in Local Communities

Social entrepreneurship plays a crucial role in alleviating poverty within local communities. Effective collaboration among the government, private sector, and community members forms the foundation for

empowering these communities. The government supports this effort by implementing initiatives such as the Regional Craft Council (Dekranasda), which serves as a platform to showcase and market local crafts. This approach not only increases the visibility of community-produced goods but also directly increases household incomes. In Kupang Regency, various agricultural activities have contributed significantly to farmers' livelihoods, a result of government policies that actively engage and involve the local population. Furthermore, programs like the Coastal Community Empowerment Program (PEMP) in Kupang Regency have successfully enhanced the welfare of coastal residents by optimizing the utilization of local resources.

The development of the "3K" integration program ('*Kandang*' Livestock, '*Kolam*' Fishpond, and '*Kebun*' Farm) in Timor Tengah Selatan (TTS) Regency plays a pivotal role in harmonizing the fisheries, livestock, and agricultural sectors to support food security. With significant potential and appropriate policy support, the fisheries sector in these two regencies is expected to become a key driver of the regional economy. Efforts to enhance capture technology, implement sustainable management practices, and strengthen market access are critical to maximizing this sector's potential. Beyond technical training, the community has also gained broader market access through digital platforms. Shifting mindsets and providing guidance on promoting and marketing products via e-commerce have transformed the lives of families in RW 07, Padurenak Village, Tangerang City. Through the empowerment of micro, small, and medium enterprises (MSMEs), these families have successfully risen out of poverty (Wikantari & Supriadi, 2022).

Poverty-stricken communities can become key players in the economic system if provided with appropriate access to resources and opportunities (Prahalad, 2004). In the context of social entrepreneurship, communities previously lacking access to markets or technology can now access these opportunities through training and business support. Research findings indicate that social entrepreneurship can enhance the economic prospects of poverty-stricken communities by offering them opportunities to develop skills, market products, and create new businesses (Halassi & Benalla, 2024). Additionally, social entrepreneurship programs help reduce social inequality in the area, in line with the SDGs.

Main Obstacles in Implementing Social Entrepreneurship Locally

This study identified several challenges in social entrepreneurship implementation in Kupang and Timor Tengah Selatan District, such as:

1. **Funding Access.** Many social entrepreneurs face difficulties obtaining capital from formal or informal financial institutions. The funding challenges faced in Kupang and Timor Tengah Selatan are addressed through support from state-owned enterprises (BUMN) via the Pegadaian program. Communities are provided access to pawn their gold at low interest rates. These funds are used as capital to increase agricultural productivity or establish micro-enterprises in other sectors, such as livestock or trade. In the West Amarasi sub-district, funds from the Pegadaian program help communities manage farmer cooperatives and support local agricultural sectors.
2. **Limited Managerial Capacity.** Many community members lack the skills needed to effectively manage businesses, which hampers the sustainability of their enterprises. Private sector entities such as non-governmental organizations (NGOs) play a crucial role in guiding communities through the Local Self-Transformation program. This program includes training in business management, marketing, and local potential management, allowing communities to become economically self-sufficient. The MSME training in the West Amarasi sub-district, conducted by Local Self-Transformation program, supports the development of sectors such as livestock, agriculture, and tourism as forms of local community empowerment.
3. **Limited Infrastructure.** Some areas still lack basic infrastructure, such as adequate roads and internet connectivity, which hampers product distribution and digital marketing. Both of these districts face key challenges related to accessibility and infrastructure deficiencies. Therefore, improving supportive infrastructure such as roads, public facilities, and tourism promotion is essential to support the growth of the tourism sector and ensure that the local tourism potential can be fully utilized to drive their economic development.

These challenges need to be addressed with a more holistic and integrated approach. As demonstrated in successful social entrepreneurship models in developing countries such as India and Kenya, access to microfinance and managerial training is crucial to overcoming these issues (Schwab, 2024). Additionally, the role of the government in creating policies that support social entrepreneurship and improving infrastructure in underserved areas is also essential. According to the community empowerment theory, involving the community in the planning and social entrepreneurship implementation programs can help reduce dependency on external actors and enhance local capacity (Friedmann, 1992).

Effective Social Entrepreneurship Model for Managing Regional Potential

An effective social entrepreneurship model in Kupang and Timor Tengah Selatan Districts involves partnerships among various stakeholders, community-based approaches, and the use of technology. Collaboration between entrepreneurs, the government, and the private sector has proven to enhance the success of these programs. The regional budget (APBD) is also directed towards supporting various local empowerment initiatives. Village funds are strategically used to support the development of essential infrastructure in underdeveloped areas, such as road construction and other public facilities. These developments aim to streamline agricultural product distribution to markets and improve community access to public services, thereby promoting local economic growth.

The role of State-Owned Enterprises (BUMN) significantly supports the development of social entrepreneurship in both districts through the Pegadaian institution. Communities can use their gold or other valuable items as collateral at low interest rates to obtain business capital in fields such as agriculture, livestock, trade, and other sectors. These funds are used as capital to enhance the productivity of local communities. Private entities, such as non-governmental organizations (NGOs), facilitate the implementation of social entrepreneurship through community guidance programs such as the Local Self-Transformation program. The Local Self-Transformation program provides training, mentorship, and support for livestock, fisheries, and agriculture, offering resources like livestock (pigs, chickens, cows, ducks, catfish) and agricultural and plantation seeds (vegetables).

The government provides facilities, such as platforms through the Regional Handicraft Council (*Dewan Kerajinan Nasional Daerah*), to accommodate local crafts produced by the local community. These platforms enable more effective marketing of handicraft products, directly impacting household incomes. In Kupang Regency, various agricultural branches significantly contribute to the income of farming communities as a result of government policies that involve the community directly. Additionally, programs like the Coastal Community Empowerment Program (*Program Pemberdayaan Masyarakat Pesisir*) in Kupang Regency have successfully improved the well-being of coastal communities through optimal management of local resources. These programs highlight the importance of synergy between the public sector and the community in fostering economically sustainable well-being based on local potential.

Local communities are empowered to become key actors in managing their resources, while technology utilization is to expand markets and improve access to information. The *Koperasi Bintang Muda 88* (a saving and loan cooperative) in Toraja has over 15,000 members and serves as a crucial support for the economic well-being of local communities (Wiranto, 2024). Similarly, the success story of farmers in West Java selling their agricultural products using digital technology (Ardhani, 2023) exemplifies this approach. It aligns with social capital theory, which emphasizes the importance of relationships between individuals and communities in building social sustainability (Putnam, 1993). Multi-stakeholder partnerships are instrumental in overcoming resource constraints, with each party contributing necessary expertise and support. Community-based approaches ensure that social entrepreneurship management remains connected to local needs and culture, enhancing participation and sustainability.

CONCLUSION

Based on the research findings, social entrepreneurship can be an effective tool for developing local potential and alleviating poverty among communities. It can optimize the use of local resources across agriculture, crafts, and community-based tourism sectors. Collaboration between local communities, the government, and the private sector is crucial in creating a supportive ecosystem for social entrepreneurship growth. Social entrepreneurship has been proven to increase local incomes by providing access to training, capital, and broader market opportunities. It creates better economic opportunities and reduces reliance on external aid.

The success of social entrepreneurship models depends on strengthening local capacities, collaboration among various stakeholders, and adequate policy support. Key challenges in implementing social entrepreneurship include limited access to funding, managerial skill constraints, and inadequate infrastructure. However, it can be addressed with the support of diverse stakeholders and appropriate policies. The government and financial institutions must provide easier and more accessible financing options for social entrepreneurs, such as microloans and technology-based funding facilities. It is crucial to ensure the sustainability of social entrepreneurship in underdeveloped regions. To support the sustainability of social entrepreneurship, it is essential to improve basic infrastructure, particularly transportation and information technology infrastructure, which can facilitate product distribution and digital marketing.

This version clearly articulates the importance of multi-stakeholder partnerships, community-based approaches, and digital technology in managing local potential and ensuring business sustainability. It emphasizes © 2025 by Author/s

the need for collaboration among government, private sector, and local communities, which strengthens the social entrepreneurship output. This partnership model, based on trust and shared responsibility is successful in social entrepreneurship.

ACKNOWLEDGEMENT

The research was funded by the Directorate of Research, Technology, and Community Service, Ministry of Education, Culture, Research, and Technology of the Republic of Indonesia. Therefore, the researchers are very grateful for this funding, allowing the research to be completed on time. Special thanks are also extended to the Research and Community Service Institute of Dhyana Pura University in Bali for their assistance and valuable suggestions, which contributed to the successful completion of this article. Appreciation is also given to the local communities and traditional leaders in Kupang Regency and Timor Tengah Selatan for their support during the research process.

REFERENCES

Ardhani, S. K. (2023). *Petani Berdaya Melalui Teknologi Digital: Kisah Sukses Petani Desa Digital di Jawa Barat*. <Https://Digitalservice.Jabarprov.Go.Id/>. <https://digitalservice.jabarprov.go.id/petani-berdaya-melalui-teknologi-digital-kisah-sukses-petani-desa-digital-di-jawa-barat/>.

Bhattacharya, A. (2023). *Barefoot College International Empowering Underprivileged Children in India through Digital Community School*. <Https://Thecsrjournal.In/>. <https://thecsrjournal.in/barefoot-college-international-underprivileged-children-india-digital-community-school/>.

Chambers, R. (1983). *Rural Development: Putting the last first*. Routledge.

Creswell, J. W. (2019). *Research Design: Pendekatan Metode Kualitatif, Kuantitatif, dan Campuran*. Pustaka Pelajar.

Dees, J. G. (1998). *The Meaning of Social Entrepreneurship*. The Kauffman Center for Entrepreneurial Leadership.

Elkington, J. (2007). So What is the “Triple Bottom Line”? *International Journal of Diversity In Organisations, Communities and Nations*, 6, 1–6.

Farid, M., & Adib, H. M. (2018). *Fenomenologi dalam Penelitian Ilmu Sosial*. Prenada Media.

Field, J. (2014). *Modal Sosial*. Kreasi Wacana.

Friedmann, J. (1992). *Empowerment: The Politics of Alternative Development*. Wiley-Blackwell.

Global Entrepreneurship Monitor. (2024). *GEM 2023/2024 Global Report Underscores the Need to Improve Entrepreneurial Education Worldwide*. <Https://Www.Gemconsortium.Org/>. <https://www.gemconsortium.org/reports/latest-global-report>

Halaissi, M. El, & Benalla, O. (2024). Investigating the Phenomenon of Social Entrepreneurship. *Social Entrepreneurship Review*, 1, 108–122.

Heriyanto. (2019). Implementasi Thematic Analysis dalam Penelitian Ilmu Perpustakaan dan Informasi. *ANUVA*, 3(1), 27–31.

Khalik, A. (2020). *Menangani Kemiskinan di NTB: Belajar dari Grameen Bank Bangladesh*. <Https://Sosial.Ntbprov.Go.Id>. <https://sosial.ntbprov.go.id/menangani-kemiskinan-di-ntb-belajar-dari-grameen-bank-bangladesh/>.

Kusumah, G. (2023). *Membangun Pariwisata Berbasis Komunitas di Desa*. <Https://Mpar.Upi.Edu/>. <https://mpar.upi.edu/membangun-pariwisata-berbasis-komunitas-di-desa/>

Moleong, L. J. (2019). *Metodologi Penelitian Kualitatif (Edisi Revisi)*. PT Remaja Rosdakarya. <https://doi.org/10.1016/j.carpol.2013.02.055>.

Noor, M. (2011). Pemberdayaan Masyarakat. *CIVIS: Jurnal Ilmiah Ilmu Sosial Dan Pendidikan Kewarganegaraan*, 1(2), 87–99. <https://doi.org/https://doi.org/10.26877/civis.v1i2/Juli.591>.

Nurhayati. (2016). Social Entrepreneurship Muhammad Yunus “Grameen Bank“. *Jurnal Bisnis, Manajemen & Perbankan*, 2(1), 31–48.

Pośpiech, M. W., & Nghargbu, R. (2024). Emerging Trends in Social Entrepreneurship and Social Economy. *Social Entrepreneurship Review*, 1, 5–7.

Prahлад, C. K. (2004). *The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits*. Wharton School Publishing.

Putnam, R. D. (1993). *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton University Press.

Rachim, H. A., & Santoso, M. B. (2023). Menggagas Social Enterprise Pada Lembaga Kemasyarakatan Lokal Bumdes Sumber Sejahtera Desa Nagrog Kecamatan Cicalengka Kabupaten Bandung. *Focus: Jurnal Pekerjaan Sosial*, 6(2), 366–379.

Renwarin, B. (2016). Kemiskinan dan Intervensi, Perspektif Jeffrey D. Sachs. *Jurnal Agama Dan Kebudayaan Limen*, 12(2), 57–87. <https://doi.org/10.61792/lim.v12i2,%20April.20>.

Schwab, K. (2024). *The Global Competitiveness Report 2014–2015*. World Economic Forum.

Susanti, S., & Rachmaniar. (2024). Pemanfaatan Marketing Channel sebagai Media Promosi dan Edukasi Produk Bambu Kreatif Studio Dapur. *Journal of Strategic Communication*, 15(1), 83–98.

Thompson, N. (2002). *Social Work with Adults*. Palgrave/Open University.

Waruwu, D., & Mudana, I. G. (2018). Counter-Hegemony in the Development of Bawomataluo Tourist Destination, Nias Selatan, Sumatera Utara. *E-Journal of Cultural Studies*, 11(2), 1–8. [https://doi.org/https://doi.org/10.24843/cs.2018.v11.i02.p01](https://doi.org/10.24843/cs.2018.v11.i02.p01).

Waruwu, D., Nyandra, M., & Erfiani, N. M. D. (2020). Pemberdayaan Modal Sosial sebagai Model Pencegahan Radikalisme untuk Menciptakan Harmoni Sosial di Bali. *Jurnal Kajian Bali (Journal of Bali Studies)*, 10(2), 515–536. <https://doi.org/10.24843/jkb.2020.v10.i02.p08>.

Wijaya, P. A., Suprihanto, J., & Riyono, B. (2020). Peran Unit Usaha Kampung Marketer dalam Mengatasi Pengangguran dan Urbanisasi untuk membentuk Ketahanan Pribadi Pemuda Desa Tamansari, Kecamatan Karangmoncol, Kabupaten Purbalingga, Provinsi Jawa Tengah. *Jurnal Pendidikan Ekonomi Undiksha*, 14(1), 160–174.

Wikantari, M. A., & Supriadi, Y. N. (2022). Peningkatan Kewirausahaan Ekonomi Keluarga melalui Pemberdayaan UMKM. *Batara Wisnu Journal: Indonesian Journal of Community Services*, 2(2), 262–269.

Wiranto, J. (2024). *Koperasi Bintang Muda 88 Menggunakan Aplikasi Koperasi dari Alokop.id*. [Https://Alokop.Id/https://alokop.id/koperasi-bintang-muda-88-menggunakan-aplikasi-koperasi-dari-alokop-id/](https://alokop.id/koperasi-bintang-muda-88-menggunakan-aplikasi-koperasi-dari-alokop-id/).

Yaumidin, U. K. (2013). SOCIAL ENTREPRENEURSHIP AND CORPORATE SOCIAL RESPONSIBILITY: Synergy Challenge for Multi-Sectors and Multi-Dimension. *Jurnal Ekonomi Dan Pembangunan*, 21(1), 103–123. *Kut Journal for Economic and Administrative Sciences*, (21), p. 337.