


# The Role of Local Communities in Social-Based Economic Empowerment

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b></p> <p>Received: 21 Aprl, 2025 Revised: 29 Aprl, 2025 Accepted: 15 Mei, 2025</p> <p><b>Keywords:</b></p> <p>Capacity Building; Community Development; Local Communities; Poverty Reduction; Sustainable Development.</p>	<p>The role of local communities in social-based economic empowerment has become increasingly significant in addressing issues of poverty, inequality, and sustainable development. This paper examines how local communities function as key agents in promoting inclusive economic growth through collective action, resource mobilization, and participatory decision-making processes. Utilizing a qualitative approach supported by case studies, the study highlights how social capital, local wisdom, and community solidarity contribute to strengthening local economies, fostering entrepreneurship, and enhancing self-reliance among marginalized groups. Furthermore, the research discusses the challenges faced by local communities, including limited access to capital, policy constraints, and capacity-building needs. The findings suggest that effective collaboration between government, non-governmental organizations, and local stakeholders is crucial for optimizing community-based economic empowerment initiatives. Strengthening the institutional capacity of local communities and ensuring participatory governance can create sustainable economic development models that are rooted in local contexts and responsive to community needs.</p> <p><i>This is an open access article under the CC BY-NC license.</i></p> 

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## 1. INTRODUCTION

In recent decades, the issue of economic empowerment has gained significant global attention, particularly in the context of poverty reduction, sustainable development, and inclusive growth. Many regions, especially in developing countries, continue to struggle with chronic poverty, inequality, unemployment, and limited access to economic opportunities. Traditional top-down approaches driven by central governments or international institutions have often produced mixed results. As a response to these challenges, increasing attention has been given to community-based models of economic empowerment, where local communities play an active role in shaping their economic futures.

Local communities represent more than just geographical clusters; they are networks of individuals bound by shared interests, values, traditions, and social capital. When effectively mobilized, local communities possess unique strengths and capacities to address economic challenges, often rooted in local wisdom, trust-based networks, cultural identity, and mutual cooperation. Unlike external interventions that may lack sensitivity to local contexts, community-driven economic empowerment emphasizes participatory governance, grassroots leadership, and locally adapted solutions that reflect the specific needs and aspirations of community members. Economic empowerment refers broadly to the process by which individuals and groups gain the ability and agency to make economic decisions, access resources, and participate meaningfully in economic activities that improve their well-being and livelihoods. Social-based economic empowerment places particular emphasis on the role of collective action, solidarity, and community institutions in achieving these outcomes.

This approach recognizes that economic empowerment is not merely a function of individual effort but is deeply influenced by social relationships, networks, norms, and institutions that can either facilitate or hinder economic participation. Local communities, through their existing structures such as cooperatives, self-help groups, local associations, and informal networks, are often best positioned to organize economic activities that are inclusive, sustainable, and responsive to local conditions. Local communities possess several inherent advantages in driving economic empowerment; Contextual Knowledge: Community members have intimate knowledge of local resources, market demands, and cultural practices. Social Capital: Communities often possess strong networks of trust, mutual support, and cooperation that can be leveraged for collective economic activities. Cultural Identity: Community-based economic activities often integrate cultural heritage, traditional skills, and local values, adding value and distinctiveness to their products and services. Flexibility and Adaptability: Local communities can often respond more quickly to changing circumstances and needs than larger bureaucratic organizations. When local communities are actively involved in their own economic development, they are more likely to take ownership of initiatives, sustain them over time, and ensure that benefits are equitably shared.

Globally, numerous successful models illustrate the power of local communities in advancing social-based economic empowerment. For example; In South Asia, the rise of women's self-help groups has enabled thousands of women to access microcredit, start businesses, and improve household incomes. In Latin America, community cooperatives have empowered indigenous groups to develop sustainable agriculture, ecotourism, and artisan industries. In parts of Africa, village savings and loan associations (VSLAs) have provided vital financial services to populations excluded from formal banking systems. In Indonesia, for instance, community empowerment programs such as Program Nasional Pemberdayaan Masyarakat (PNPM Mandiri) and various rural cooperatives have demonstrated the potential of grassroots economic initiatives. These programs illustrate how state and non-state actors can collaborate with local communities to enhance economic participation and social cohesion.

Several theoretical perspectives help to explain the role of local communities in social-based economic empowerment; Social capital refers to the networks of relationships, trust, and shared norms that enable individuals and groups to work together for mutual benefit. Communities rich in social capital are often better equipped to mobilize resources, coordinate collective action, and foster cooperation essential for economic initiatives. Putnam (1993) famously argued that strong social capital contributes to more effective governance and development outcomes. Empowerment involves enhancing people's capacity to make choices and transform those choices into desired outcomes. According to Zimmerman (2000), empowerment operates at individual, organizational, and community levels. Community empowerment focuses on collective agency, local control, and participation in decision-making processes that affect economic well-being. The sustainable livelihoods framework emphasizes the importance of people-centered development, where diverse assets (natural, financial, human, social, and physical capital) are mobilized to build resilient and sustainable livelihoods. Local communities are central to this approach as they manage their own assets and adapt strategies to local contexts and environmental conditions.

For local communities to successfully drive economic empowerment, several key components are critical; Participation and Inclusion: Ensuring that all community members, including marginalized groups such as women, youth, and indigenous populations, have opportunities to engage in economic decision-making. Capacity Building: Strengthening the skills, knowledge, and organizational capacities of community members and leaders. Access to Resources: Facilitating access to credit, technology, markets, infrastructure, and information. Institutional Support: Establishing supportive policies, legal frameworks, and partnerships with government and civil society. Sustainability: Promoting environmentally responsible practices that ensure long-term viability of economic activities. While local communities offer great potential for economic empowerment, they also face significant challenges, Limited Financial Resources: Many communities struggle to access the capital needed to start or expand economic initiatives. Weak Institutional Capacity: Lack of organizational skills, leadership experience, and technical expertise can hinder effective management. Policy Barriers: Inadequate government support, restrictive regulations, and weak legal protections can constrain community efforts. Social Inequalities: Power imbalances, discrimination, and exclusion of vulnerable groups may limit equitable participation. Market Access: Limited access to broader markets can reduce the profitability and sustainability of community enterprises. Overcoming these obstacles requires comprehensive strategies

that integrate local knowledge with external support, tailored to the unique circumstances of each community.

While communities are at the center of social-based economic empowerment, partnerships with external actors are often essential for success; Government: Can provide enabling policies, funding, technical assistance, and infrastructure development. Non-Governmental Organizations (NGOs): Often play a key role in capacity building, facilitating community organization, and providing specialized expertise. Private Sector: Can create market linkages, invest in local enterprises, and promote inclusive business models that integrate community producers into value chains. Effective collaboration across these sectors can amplify the impact of community-based empowerment and foster more inclusive development outcomes. Cultural values and local wisdom are vital assets in community-based economic empowerment. These elements not only shape how communities organize economic activities but also contribute to the uniqueness and marketability of local products and services. Traditional crafts, local agricultural practices, and indigenous knowledge systems often form the basis of thriving community enterprises. Respecting and integrating cultural values into empowerment initiatives helps to build community pride, strengthen identity, and ensure that development respects the social fabric of the community.

Although much research has been conducted on economic empowerment, there remains a need for deeper understanding of how local communities themselves drive these processes, particularly in diverse socio-cultural contexts. Many existing studies focus on external interventions or national policy frameworks, often neglecting the grassroots perspectives that are critical to sustainable empowerment. This study aims to fill this gap by exploring the mechanisms through which local communities organize, mobilize resources, and create sustainable economic opportunities through social-based approaches. By focusing on community experiences, the research highlights the practical realities, challenges, and successes encountered in the field. The findings from this study will contribute valuable insights to policymakers, practitioners, and scholars seeking to design and implement more effective community-based economic empowerment programs. In an era where global economic shifts increasingly demand local resilience and innovation, understanding the role of local communities is more important than ever.

## 2. RESEARCH METHOD

This study employs a qualitative research approach to explore and analyze the role of local communities in social-based economic empowerment. Qualitative methods are appropriate for capturing the complexity of social phenomena, understanding the perspectives of community members, and examining the processes through which local empowerment occurs. The research utilizes a case study design, focusing on selected local communities actively engaged in economic empowerment initiatives. The case study approach allows for in-depth exploration of specific community dynamics, strategies, and outcomes within their natural context. Data were collected through a combination of in-depth interviews, focus group discussions (FGDs), and participant observation. Interviews were conducted with community leaders, members of local cooperatives, small business owners, government officials, and representatives from non-governmental organizations (NGOs) involved in community development. FGDs provided opportunities for diverse community voices to be heard and for the identification of collective experiences and shared challenges. A purposive sampling technique was used to select participants who possess relevant experience and knowledge about community-based economic empowerment efforts. This method ensures that the data collected is rich, relevant, and directly related to the research objectives. The data were analyzed using thematic analysis, allowing the researcher to identify, analyze, and report patterns (themes) within the data. Coding was conducted manually to ensure careful interpretation of participants' narratives and to capture the nuances of local contexts. To enhance credibility, triangulation was employed by comparing data from multiple sources and methods. Member checking was also conducted to verify the accuracy of the findings with key participants. This methodological framework ensures a comprehensive understanding of the role local communities play in driving social-based economic empowerment.

### 3. RESULTS AND DISCUSSIONS

#### **Local Wisdom as the Basis for Empowerment Strategies**

Local wisdom, often defined as the accumulated knowledge, values, traditions, and practices that are deeply rooted in a community's cultural and historical experiences, serves as a powerful foundation for sustainable empowerment strategies. It reflects the collective identity of a community and provides culturally relevant solutions to socio-economic and environmental challenges. Utilizing local wisdom in empowerment efforts ensures that development interventions are not only effective but also resonate with the lived realities and values of the people involved.

One of the most significant advantages of using local wisdom as the basis for empowerment is its inherent acceptance within the community. Since it originates from within the community itself, local wisdom carries a high degree of legitimacy and trust among community members. This intrinsic trust fosters greater participation, commitment, and ownership, which are critical components of successful empowerment programs. For example, traditional cooperative work systems, such as *gotong royong* in Indonesia or *bayanihan* in the Philippines, embody collective action and mutual assistance, which can be leveraged to support community-driven development projects. Local wisdom also serves as a guide in managing natural resources sustainably.

Indigenous communities worldwide have long practiced environmental stewardship based on an intimate understanding of local ecosystems. Their practices, such as rotational farming, sacred forest preservation, or traditional water management systems, balance human needs with environmental conservation. When integrated into modern empowerment strategies, these practices help ensure that development initiatives are ecologically sustainable and aligned with long-term community well-being. In the economic domain, local wisdom contributes significantly to the development of unique local industries. Handicrafts, traditional textiles, culinary arts, and other forms of cultural expression rooted in local traditions often serve as the backbone of community-based economic empowerment.

For example, weaving communities in Bali or batik artisans in Java utilize inherited techniques passed down through generations, creating products that are not only economically valuable but also culturally significant. Empowerment programs that build on these traditions, by providing skills training, marketing support, or access to broader markets, can enhance economic self-reliance while preserving cultural heritage. Furthermore, local wisdom often embodies social values such as solidarity, fairness, and mutual respect, which are crucial for building inclusive and cohesive communities. These values can strengthen social capital and foster an environment where vulnerable groups such as women, the elderly, and the poor are actively included in development initiatives. For instance, women's groups that manage savings and loans based on traditional trust systems often demonstrate high repayment rates and effective financial management, contributing to broader community welfare. However, integrating local wisdom into empowerment strategies requires careful consideration.

It is important to distinguish between practices that are genuinely beneficial and those that may perpetuate inequality or hinder progress. Some traditional practices may conflict with contemporary values of gender equality, human rights, or technological innovation. Therefore, a participatory approach that involves critical reflection and dialogue with community members is essential to adapt local wisdom in ways that honor tradition while promoting inclusive and progressive development. In conclusion, local wisdom offers a culturally grounded and sustainable basis for empowerment strategies. By recognizing and integrating the strengths of local traditions, values, and knowledge systems, empowerment initiatives can achieve greater community engagement, sustainability, and cultural preservation. The key lies in balancing respect for tradition with openness to innovation, ensuring that empowerment efforts lead to equitable and resilient community development.

#### **Community Business Models: Creative Economy and BUMDes**

Community-based business models have emerged as crucial mechanisms for promoting inclusive economic development, especially in rural and semi-urban areas. Two significant models that exemplify this approach are the Creative Economy and Badan Usaha Milik Desa (BUMDes), each offering unique pathways for community empowerment, local wealth creation, and sustainable development. The creative economy refers to economic activities that are driven by creativity, cultural heritage, and intellectual capital. In the context of community development, the creative economy often revolves around local crafts, performing arts, culinary traditions, cultural tourism, and indigenous knowledge. These sectors harness the unique identity of a community, transforming cultural assets into marketable products and services while preserving cultural heritage.

For instance, traditional weaving in Bali, batik production in Yogyakarta, or silver crafting in Kotagede have become internationally recognized creative industries that not only generate income but also promote cultural pride. One of the primary strengths of the creative economy lies in its capacity to engage various community members, including women, youth, and marginalized groups. Many creative industries rely on skills passed down through generations, which can be adapted and modernized for contemporary markets through design innovation and digital marketing. By combining tradition with modern entrepreneurship, communities can access niche markets, attract tourists, and even reach global consumers through e-commerce platforms. Moreover, creative economy enterprises typically require lower initial capital investments compared to large-scale industrial ventures, making them more accessible to small communities.

The flexibility and adaptability of these businesses also foster resilience in the face of economic fluctuations, as local producers can diversify their products and services according to market demands. On the other hand, Badan Usaha Milik Desa (BUMDes), or Village-Owned Enterprises, represent a more formalized institutional model of community business in Indonesia. Established under the Village Law (Law No. 6/2014), BUMDes are designed to enable villages to manage their economic resources collectively and independently. Unlike private businesses, BUMDes operate on the principle of collective ownership and are governed by village regulations, with profits reinvested into the community. The scope of BUMDes activities is diverse, ranging from managing village markets, clean water services, tourism facilities, transportation services, to agricultural processing and retail businesses. Because BUMDes operate under the legal framework of village governance, they benefit from clear regulatory support, local legitimacy, and access to village funds allocated by the government.

This structure allows BUMDes to address local economic gaps while ensuring that the profits benefit the entire community. A key advantage of BUMDes is their ability to mobilize collective capital and foster economic cooperation among villagers. By pooling resources, sharing risks, and making joint decisions, communities can undertake larger and more sustainable business ventures than would be possible individually. Furthermore, BUMDes often serve as hubs for capacity building, offering training and employment opportunities that enhance local human capital. However, both creative economy ventures and BUMDes face challenges that require careful management. These include limited business management skills, difficulties accessing broader markets, regulatory complexities, and the need for continuous innovation to remain competitive.

Addressing these challenges calls for targeted support in the form of capacity building, partnerships with private and public sectors, and leveraging digital technology. In summary, the creative economy and BUMDes exemplify how community business models can drive local development by capitalizing on cultural assets and collective ownership. When effectively managed and supported, these models not only generate income but also strengthen social cohesion, preserve cultural identity, and contribute to the sustainable empowerment of communities.

#### **Women's Groups and the Creative Economy**

The creative economy has emerged as a dynamic and inclusive sector that offers significant opportunities for community development, especially through the participation of women's groups. As creativity, culture, and innovation form the backbone of the creative economy, women's groups are uniquely positioned to leverage their traditional knowledge, skills, and social networks to contribute meaningfully to local and national economies. Their participation not only fosters economic empowerment but also promotes social inclusion and cultural preservation. Women have historically played a central role in various creative industries, particularly in sectors such as textiles, handicrafts, culinary arts, performing arts, and cultural tourism.

In many communities, these skills have been passed down through generations, forming a rich reservoir of local knowledge that can be harnessed for economic development. By organizing into formal or informal groups, women can collectively produce, market, and distribute their products more efficiently, thereby overcoming individual limitations related to capital, market access, and production capacity. One of the primary advantages of women's groups in the creative economy is their ability to foster collective action and mutual support. Through cooperation, members can share resources, exchange knowledge, and provide emotional and social support, which enhances both personal confidence and group resilience. Savings and loan cooperatives, often initiated within women's groups, serve not only as financial institutions but also as platforms for business training, mentorship, and leadership development. In many rural and semi-urban areas, women's groups have successfully transformed traditional crafts into competitive market products.

For example, women's weaving cooperatives in Bali and Flores have developed high-quality textiles that appeal to both domestic and international markets. Similarly, batik-making groups in Central Java have introduced modern design elements while preserving traditional techniques, making their products attractive to contemporary consumers. These efforts often receive support from government programs, non-governmental organizations, and corporate social responsibility initiatives that provide training, access to financing, and market linkage assistance. Beyond economic gains, women's participation in the creative economy has significant social implications. Economic independence empowers women to contribute to household income, make decisions about their personal and family welfare, and participate more actively in community leadership.

This empowerment can have a positive ripple effect, promoting gender equality and challenging traditional gender norms that limit women's roles to domestic spheres. Moreover, women's groups in the creative economy often become custodians of cultural heritage, ensuring the survival of traditional arts and practices that might otherwise be lost. By commercializing cultural products, they not only generate income but also raise awareness of their communities' cultural richness, contributing to cultural tourism and intercultural dialogue. Despite these opportunities, women's groups in the creative economy face several challenges. Limited access to capital, inadequate business management skills, and barriers to larger markets often hinder their growth potential. In addition, balancing business responsibilities with domestic and caregiving duties can create additional pressures for women.

Addressing these challenges requires targeted interventions such as skills training, mentorship programs, flexible financing schemes, digital literacy education, and policies that promote work-life balance. In conclusion, women's groups represent a vital force in the creative economy, offering pathways for economic empowerment, cultural preservation, and social inclusion. By supporting their development through comprehensive capacity-building and supportive policies, stakeholders can unlock the full potential of women's contributions to sustainable and inclusive economic growth.

#### **BUMDes and Economic Independence**

(BUMDes), or Village-Owned Enterprises, have emerged as a key instrument in promoting economic independence at the village level in Indonesia. Established through Law No. 6/2014 on Villages, BUMDes are designed to enable villages to manage and develop their own economic resources by leveraging local potentials, strengthening local governance, and reducing dependency on external assistance. The core objective of BUMDes is to empower communities economically and socially, fostering self-sufficiency and sustainable development. At its foundation, BUMDes is a unique form of business entity that is owned, managed, and controlled by the village community through its local government structure.

The profits generated by BUMDes are not only used to sustain the business itself but are also allocated to finance public services, social welfare programs, and further development initiatives within the village. This collective ownership model ensures that economic benefits remain within the community and are reinvested for the common good. One of the major contributions of BUMDes to economic independence is its ability to utilize and optimize local resources that may otherwise remain underdeveloped. Villages across Indonesia have diverse economic potentials such as agriculture, fisheries, tourism, handicrafts, and natural resources. BUMDes provides a structured mechanism to organize these resources into productive enterprises. For example, some BUMDes manage agribusiness ventures, local markets, clean water systems, waste management services, transportation, and homestays for tourism, depending on the specific strengths and needs of their communities.

By generating their own income, villages with successful BUMDes operations are less reliant on government transfers or external donors. This autonomy allows for more flexible and context-specific development planning, responsive to the immediate needs and aspirations of local residents. Economic independence achieved through BUMDes can foster a sense of pride, ownership, and responsibility among villagers, reinforcing social cohesion and active community participation in development processes. Furthermore, BUMDes play a significant role in job creation and skill development. They offer employment opportunities for local residents, especially for those who might otherwise migrate to urban areas in search of work. This contributes not only to reducing urban-rural disparities but also to preserving social and family structures within villages.

Additionally, BUMDes often serve as platforms for capacity building, where villagers can gain valuable experience in business management, financial literacy, and leadership. However, while the potential of BUMDes is significant, their success is not without challenges. Many BUMDes struggle with limited business expertise, weak financial management, inadequate market access, and bureaucratic hurdles related to legal status and licensing. In some cases, political interference or lack of transparency can undermine the effectiveness and credibility of BUMDes management. Addressing these challenges

requires ongoing support from government agencies, universities, non-governmental organizations, and the private sector through training, mentorship, policy reform, and access to financing. In conclusion, BUMDes represent a powerful vehicle for promoting economic independence at the village level, turning local resources into sustainable economic opportunities. When effectively managed and supported, BUMDes can strengthen local economies, reduce poverty, and contribute to balanced national development. Ensuring their success depends on strong governance, community participation, capacity building, and supportive policy frameworks that allow villages to fully realize their economic potential.

#### **Access to Credibility and Micro Capital**

Access to credibility and micro capital is a crucial component in fostering economic empowerment, particularly for individuals and small groups operating at the grassroots level. In many developing countries, including Indonesia, access to formal financial institutions is often limited due to stringent requirements such as collateral, credit history, and legal documentation. As a result, micro capital small-scale financing tailored to the needs of micro-entrepreneurs plays a significant role in filling this financing gap, while credibility serves as the social foundation that enables these financial mechanisms to function effectively within communities. Credibility in this context refers not only to financial trustworthiness but also to an individual's or group's reputation within their community.

In the absence of formal credit scores or financial histories, informal indicators of credibility, such as personal integrity, participation in community activities, and established relationships, become essential determinants for gaining access to capital. Community-based financial institutions, such as savings groups, cooperatives, or rotating savings and credit associations (ROSCAs), rely heavily on these informal trust mechanisms to evaluate members' eligibility for loans. Micro capital refers to small loans, typically ranging from a few hundred to a few thousand dollars, that are extended to micro-entrepreneurs for business development, working capital, or personal needs that indirectly support income generation. These microloans are often more flexible and accessible than conventional bank loans, making them particularly valuable for women, youth, and low-income individuals who lack formal assets or credit histories. Microfinance institutions (MFIs), government programs, non-governmental organizations (NGOs), and community-based groups are the primary providers of micro capital.

One of the most successful models combining access to credibility and micro capital is the group-lending approach. In this model, borrowers form small groups where each member acts as a guarantor for one another's loans. The group's collective credibility replaces the need for collateral, while peer monitoring helps ensure timely repayments. This approach not only reduces the lender's risk but also fosters a sense of responsibility and mutual accountability among borrowers. In Indonesia, institutions like Badan Usaha Milik Desa (BUMDes), cooperatives, and Lembaga Keuangan Mikro (LKM) often incorporate credibility assessments into their lending practices. Additionally, many women's groups and self-help groups (SHGs) operate micro-savings and lending schemes based on trust and mutual support.

These grassroots financial structures have proven to be effective in mobilizing local savings, reducing dependency on external credit, and promoting financial literacy. However, while access to micro capital has significantly expanded financial inclusion, challenges remain. The limited size of microloans may not always be sufficient for larger-scale business expansion. Additionally, without proper training in financial management and business planning, borrowers may struggle to use the funds productively, leading to potential over-indebtedness. Moreover, over-reliance on informal credibility assessments may expose lenders to social pressures and non-repayment risks if proper governance mechanisms are not in place.

To enhance the effectiveness of micro capital programs, several measures can be adopted: Capacity building: Providing borrowers with training in business management, financial literacy, and marketing. Diversification of financial products: Offering graduated loan schemes that allow successful borrowers to access larger amounts over time. Formalization of credibility assessment: Developing simple yet objective credit scoring tools suitable for the informal sector. Strengthening regulatory frameworks: Ensuring transparency, consumer protection, and sustainability of microfinance institutions. In conclusion, access to credibility and micro capital plays a vital role in enabling marginalized groups to participate in economic activities, build resilience, and achieve financial independence. Strengthening these mechanisms through supportive policies, capacity building, and innovative financial models can contribute significantly to inclusive and sustainable economic development.

#### 4. CONCLUSION

The role of local communities in social-based economic empowerment is both fundamental and transformative. Local communities are not merely passive recipients of development initiatives; they are active agents with the knowledge, resources, and social capital necessary to drive sustainable economic change. By leveraging local wisdom, cultural assets, and collective social structures, communities can create inclusive economic opportunities that are deeply rooted in their unique contexts and values. Community-driven business models such as the creative economy and Badan Usaha Milik Desa (BUMDes) exemplify how local resources can be mobilized to generate income, foster entrepreneurship, and enhance economic independence. Women's groups, in particular, demonstrate the power of collective action in the creative economy, contributing significantly to household incomes, social cohesion, and cultural preservation. Furthermore, mechanisms such as micro capital and credibility-based financing have proven effective in expanding financial inclusion, especially for marginalized groups who often face barriers in accessing formal credit. However, the success of social-based economic empowerment depends on several critical factors, including effective leadership, transparent governance, continuous capacity building, and supportive policy frameworks. Challenges such as limited business skills, market access, and resource constraints must be addressed through coordinated efforts involving government, private sector, non-governmental organizations, and the communities themselves. In essence, empowering local communities through social-based economic models not only strengthens local economies but also enhances social welfare, preserves cultural heritage, and promotes sustainable development. When communities are empowered to take ownership of their development, they become more resilient, innovative, and capable of addressing their own economic challenges, contributing to broader national development goals in a more inclusive and equitable manner.

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