

# Public Perception of Social Entrepreneurship and Its Impact on Social Participation in Indonesia

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## ABSTRACT

Social entrepreneurship has emerged as a critical approach to addressing social and environmental challenges while promoting community participation. This study explores public perceptions of social entrepreneurship and its impact on social participation in Indonesia through a qualitative analysis of interviews with five informants. The findings reveal that social entrepreneurship is widely viewed as a mechanism for solving social problems and fostering active engagement within communities. Key themes identified include the understanding and definition of social entrepreneurship, its positive influence on social participation, barriers to involvement, perceived benefits, and the critical role of education and awareness campaigns. The study concludes that while public perception is generally positive, significant efforts are needed to address barriers and enhance participation through increased education, awareness, and support. These insights contribute to the discourse on social entrepreneurship in developing countries and highlight pathways for enhancing its impact in Indonesia.

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## 1. INTRODUCTION

Social entrepreneurship has emerged as a vital mechanism for addressing pressing societal challenges by combining entrepreneurial principles with social value creation. In Indonesia, where diverse socio-economic issues such as poverty, unemployment, and environmental degradation persist, social entrepreneurship plays a pivotal role in fostering community development and sustainable solutions. This innovative approach integrates business acumen with a mission to create social impact, empowering marginalized communities

while promoting economic inclusivity and sustainable development. Social entrepreneurs are increasingly recognized as agents of change, leveraging innovation and technology to address issues such as poverty, education, health services, and renewable energy [1]. They incorporate social and environmental objectives into business models to address systemic problems like inequality and ecological degradation [2], often collaborating across sectors to amplify their impact [3]. Key attributes such as adaptability, innovation, and resilience enable social entrepreneurs to navigate complex challenges and drive transformative change

[3], while visionary leadership, institutional partnerships, and supportive government policies are critical to achieving the Sustainable Development Goals [4]. The demonstrated impact of social entrepreneurship on communities and economies contributes to a more inclusive and sustainable world [5], with the success of enterprises like Kitabisa.com, Du Anyam, and Pandawara Group serving as powerful case studies that inspire broader systemic change in Indonesia [1].

The concept of social entrepreneurship has gained increasing attention in recent years, not only for its ability to tackle social, racial, and environmental challenges but also for its potential to empower communities and redefine traditional business paradigms through systemic change [3]. By involving stakeholders across different sectors—including universities, private institutions, and government agencies—social enterprises serve as catalysts for social value creation and foster collaborative efforts that inspire new generations of changemakers [6]. These enterprises encompass a wide range of activities, from individual initiatives to formal social purpose ventures, and are globally recognized as transformative mechanisms for addressing complex societal issues [7]. However, their effectiveness is significantly influenced by public perception, which shapes the level of engagement and support they receive from the community [3]. Positive public perceptions can lead to increased participation and sustained support, while misunderstandings or a lack of awareness may hinder their impact and limit outreach potential [3]. Thus, fostering awareness and encouraging inclusive collaboration across sectors remain essential to maximizing the societal benefits of social entrepreneurship.

In the context of Indonesia, the relationship between public perception of social entrepreneurship and social participation is complex, multifaceted, and remains an underexplored area of research, despite its critical importance for the development of a supportive ecosystem for social enterprises. Social entrepreneurship is

widely viewed as a mechanism for achieving sustainable development by addressing social, economic, and environmental challenges, aligning closely with the Sustainable Development Goals [8]. This perception is further shaped by the broader political-economic context, where social entrepreneurship is promoted as part of economic nationalism under President Widodo's administration, emphasizing local empowerment and entrepreneurship [9]. Social participation in this sector spans a wide range of initiatives, including education, health, environmental sustainability, and economic empowerment, with community involvement proving particularly impactful in regions such as coastal areas where stakeholder engagement and organizational structure significantly influence success [10]. However, challenges persist, particularly the tension between market rationality and societal interests, where market-driven logic may overshadow social goals and limit transformative potential [9]. At the same time, social entrepreneurship presents opportunities to reduce economic inequality and enhance community self-reliance, as seen in urban contexts like Jakarta, where such initiatives have fostered innovation and narrowed economic disparities [11]. Understanding how public perception shapes participation and outcomes is therefore vital to nurturing an inclusive and effective social entrepreneurship ecosystem in Indonesia. This study aims to delve into the public perception of social entrepreneurship in Indonesia and analyze its implications for social participation.

## 2. LITERATURE REVIEW

### 2.1 *Social Entrepreneurship: Definition and Characteristics*

Social entrepreneurship is a transformative approach that integrates social and environmental objectives with entrepreneurial activities to address systemic societal issues, distinguishing itself from traditional entrepreneurship by prioritizing social value creation alongside financial sustainability [3]. This dual mission is evident across sectors

such as education, healthcare, and environmental conservation, where social enterprises employ innovative business models and creative problem-solving to tackle challenges like poverty, inequality, and ecological degradation [2]. Social entrepreneurs are often marked by their adaptability, innovation, and resilience, qualities that enable them to navigate complex environments and pursue meaningful, long-term societal change [3]. Their efforts are grounded not just in solving immediate issues but also in addressing broader systemic contexts, thereby contributing to a more sustainable and inclusive world [12]. The growing recognition of social entrepreneurship as a powerful force for positive transformation is supported by case studies and empirical evidence, which consistently demonstrate its substantial impact on both communities and economies [1].

## **2.2 Public Perception of Social Entrepreneurship**

Public perception greatly influences the success of social entrepreneurship by affecting engagement, investment, and policy support. In Indonesia, limited awareness often leads to misconceptions, where social enterprises are confused with non-profits or traditional businesses, raising doubts about their sustainability and impact [3], [13]. Factors such as media, education, and personal experiences shape these perceptions, with positive exposure helping correct misunderstandings [3], [14]. Despite challenges, citizen participation and innovative solutions offer opportunities to improve public perception and highlight the transformative potential of social entrepreneurship [3], [15].

## **2.3 Social Participation and Its Importance**

Social participation is a critical component in the success of social enterprises, particularly in Indonesia, where cultural norms emphasize community collaboration and collective action, making public perception a key

driver of engagement and support. As a form of citizen involvement, social participation enables individuals to directly influence societal change through social enterprises, which rely on active community engagement to achieve their 'triple bottom line'—social, environmental, and economic goals [14], [16]. This participation is vital for sustaining local development, strengthening social cohesion, and supporting democratic processes [17]. Social enterprises harness such engagement to promote inclusion and address long-standing social problems with innovative approaches [18]. However, participation levels are shaped by socio-economic status, education, and access to information [19]. While Indonesia's cultural emphasis on collaboration further reinforces community involvement [18]. Despite its potential, social participation must be managed carefully, as it can be misused or ineffective if social enterprises fail to align with local contexts and leverage local knowledge [18], [19].

## **3. RESEARCH METHODS**

The study is designed to explore how the Indonesian public perceives social entrepreneurship and how these perceptions influence social participation. Using a qualitative and exploratory approach, the research aims to uncover underlying factors shaping public attitudes and behaviors toward social entrepreneurship in Indonesia. To gather in-depth insights, the study employs purposive sampling, selecting five informants who possess knowledge or experience in the field. These participants are chosen based on their understanding of social entrepreneurship, diverse socio-economic and professional backgrounds, and geographic representation across different regions of Indonesia. This diversity helps to capture a broad spectrum of perspectives and contextual variations in perception and participation.

Data collection is carried out through semi-structured interviews, allowing for flexibility and in-depth exploration of key themes such as understanding of social entrepreneurship, perceptions of its societal role, its impact on social participation, and perceived barriers. Conducted in the local language and lasting 45 to 60 minutes, the interviews are audio-recorded with consent and transcribed verbatim for analysis. Thematic analysis is employed to analyze the data through six steps: transcription, familiarization, coding, theme development, refinement, and reporting. This method enables the researcher to identify patterns and construct a coherent narrative illustrating how public perception affects social participation, supported by direct quotes from the informants to validate the findings.

## 4. RESULTS AND DISCUSSION

### 4.1 Key Themes Identified

The thematic analysis revealed several key themes regarding the public perception of social entrepreneurship and its relationship with social participation. These themes were derived from the informants' responses during the interviews, with each theme offering insights into different facets of social entrepreneurship.

#### 1. Understanding and Definition of Social Entrepreneurship

All informants recognized the term "social entrepreneurship," but their understanding varied somewhat based on their knowledge and experience. Generally, social entrepreneurship was defined as the practice of using entrepreneurial principles to address social problems and improve the well-being of communities. A common view was that social enterprises are organizations that prioritize social and environmental outcomes over financial profit. One informant noted, "Social entrepreneurship is not about profit-making; it's about solving real social issues that can uplift the community."

However, some informants viewed social entrepreneurship more narrowly, associating it primarily with NGOs or charity-based activities. This view reflects a limited understanding of the broader, more inclusive scope of social entrepreneurship that can also involve for-profit businesses with a strong social mission.

#### 2. Impact on Social Participation

The relationship between social entrepreneurship and social participation emerged as one of the most prominent themes. Informants indicated that social enterprises had a positive influence on social participation by encouraging individuals to become more engaged in solving local social problems. Several informants emphasized that social enterprises provided opportunities for community members to actively contribute to initiatives aimed at solving pressing social issues, such as poverty alleviation, education, and environmental sustainability. As one informant explained, "Social enterprises give people a sense of belonging and purpose—they feel that their contributions are making a real impact on society."

However, some informants expressed concerns about the limited scope of social participation, particularly in rural areas or communities with lower levels of education. They suggested that while social enterprises have the potential to foster participation, more work needs to be done to raise awareness and educate people about the opportunities available for involvement.

#### 3. Barriers to Social Participation in Social Entrepreneurship

While the overall view of social entrepreneurship was positive, several barriers to participation were identified by the informants. A major

barrier cited was the lack of awareness and understanding of social entrepreneurship, especially in more remote or less-developed regions. Informants mentioned that many people in these areas do not recognize the potential benefits of engaging with social enterprises and may be hesitant to participate due to unfamiliarity with the concept.

Another barrier mentioned was the perceived lack of support from the government or private sector. Several informants pointed out that social enterprises often struggle to secure funding or resources, which limits their ability to scale and involve more people. "In Indonesia, many social enterprises are working in isolation. They don't have the necessary networks or financial support to grow," one informant noted.

#### **4. Perceived Benefits of Social Entrepreneurship**

Despite the barriers, the informants highlighted the significant benefits of social entrepreneurship, particularly in terms of community development and empowerment. Many informants believed that social enterprises can create job opportunities, improve local economies, and provide essential services that are often neglected by the government or traditional businesses. One informant shared, "Social enterprises fill the gap where the government can't reach. They bring real, sustainable change to local communities."

Moreover, some informants noted that social entrepreneurship could serve as a model for other businesses, encouraging them to adopt more socially responsible practices. This could lead to a broader culture of sustainability and social responsibility across the business landscape.

#### **5. Role of Education and Awareness Campaigns**

Education and awareness campaigns were viewed as essential tools to bridge the gap between the concept of social entrepreneurship and the public's involvement in such initiatives. Several informants suggested that increasing knowledge about social entrepreneurship and its potential impact could significantly boost public participation. They emphasized the importance of integrating social entrepreneurship into educational curricula and providing workshops or community-based outreach programs to spread awareness.

One informant commented, "If people knew more about social entrepreneurship and how they could get involved, they would be more willing to participate. But right now, it's not a mainstream concept in education or media."

#### **4.2 Discussion**

The findings of this study provide valuable insights into the public's perception of social entrepreneurship and its influence on social participation in Indonesia, contributing to the growing body of literature on this topic in developing countries, particularly within Southeast Asia. Public perception in Indonesia generally aligns with the global view of social enterprises as agents for addressing social and environmental challenges, consistent with the definition offered by [20], [21], who emphasized social value creation through innovation. Informants in this study viewed social enterprises not merely as alternatives to conventional businesses but as essential actors in tackling local societal problems. However, the findings also reveal that understanding of social entrepreneurship remains limited in rural and less-developed regions, indicating a need to expand visibility and public education on its practical benefits.

The study further confirms a positive correlation between social entrepreneurship and social participation, aligning with research by [22], [23], which underscores the capacity of social enterprises to mobilize communities and inspire collective action. Informants noted that social entrepreneurship fosters a sense of purpose and engagement among citizens, yet participation remains limited, especially in areas with low awareness. These findings suggest that while social enterprises hold great potential for enhancing community involvement, more targeted efforts are necessary to address barriers such as limited knowledge and unclear pathways for engagement. Raising awareness, building trust, and offering accessible opportunities for involvement are crucial to increasing public participation in social entrepreneurship initiatives.

Key barriers identified in the study—such as lack of awareness, limited resources, and insufficient government support—mirror global challenges faced by social enterprises, as noted by [22], [24]. Resource constraints, especially financial, hinder the ability of Indonesian social enterprises to scale and engage broader populations. This highlights the importance of developing stronger institutional support, including favorable policies and public-private collaborations. Education also emerged as a central theme, with informants advocating for the integration of social entrepreneurship into academic curricula and public awareness campaigns. These educational efforts are vital to shaping public understanding and encouraging broader social engagement, ensuring that social entrepreneurship continues to

evolve as a transformative force for inclusive development in Indonesia.

## 5. CONCLUSION

This study highlights the growing recognition of social entrepreneurship as a powerful tool for addressing social and environmental challenges in Indonesia. Public perceptions reflect an appreciation of social enterprises as catalysts for community development and increased social participation. Key findings reveal that informants generally understand social entrepreneurship as a means to address societal issues, although misconceptions remain in some areas. Social enterprises were seen to positively influence social participation by creating opportunities for meaningful engagement. However, several barriers were identified, including limited public awareness, inadequate resources, and a lack of institutional support. Education emerged as a critical factor, with informants emphasizing the need for awareness campaigns and curriculum integration to foster broader understanding and involvement.

To enhance the impact of social entrepreneurship in Indonesia, stakeholders must focus on removing participation barriers through increased public education, support programs, and policy interventions that promote inclusive engagement. Integrating social entrepreneurship into educational systems and providing both financial and structural assistance to social ventures will be essential for scaling their impact and fostering sustainable development. This study offers a foundational perspective for future research while providing practical insights for policymakers, educators, and practitioners seeking to strengthen social entrepreneurship as a pathway to inclusive and transformative change in Indonesia.

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