

Islamic Social Entrepreneurship Model of Business Women in Pandemic Era in East Java

Nurul Asfiah, Titiek Ambarwati and Ratya Shafira Arifiani

EasyChair preprints are intended for rapid dissemination of research results and are integrated with the rest of EasyChair.

April 25, 2021

International conference of Social and Political Issues on Sustainable Development in Post Covid-19 Crisis

Islamic Social Entrepreneurship Model of Business Women in Pandemic Era in East Java

Nurul Asfiah^a, Titiek Ambarwati^b, Ratya Shafira Arifiani^c

^{*a,b,c*} Department of Management, University of Muhammadiyah Malang, Raya Tlogomas Street 246, Malang, Indonesia Coresponden Author : asfiah@umm.ac.id

Abstract

The economic sector in the world is currently experiencing instability, especially in Indonesia. The pandemic has caused the economic sector to change, especially for businesses in the social sector. This study aims to create a business model with the concept of Islamic Social Entrepreneurship for entrepreneurial women in the pandemic era. This study is based on the case of Micro and Small Enterprises (SME) belonging to the "Association of Women Entrepreneurs of 'Aisyiyah (IPAS)", where 'Aisyiyah's organization acts as a social agent. SMEs are a pillar of the national economy that involves a large proportion of the workforce in Indonesia, and have proven to be able to survive the world crisis. Moreover, the world is currently experiencing a crisis caused by a pandemic, resulting in a major downturn in the MSME sector. This is a qualitative study and focus on Islamic social entrepreneurship in pandemic era. Data analysis was performed simultaneously, recursively and dynamically, where conceptualization, categorization, and description were carried out together. The results of this study indicate that women are able to be independent and improve their quality of life with Islamic social entrepreneurship in accordance with the values developed. Especially during the current pandemic, with all the limitations in the SME sector, Islamic social entrepreneurs are trying to come up with new ways for sustainable business.

Keywords: SME, Islamic social entrepreneurship, business women

Introduction

Covid-19 has spread to almost every country of the world, including Indonesia. Because of its rapid and dangerous spread, Covid-19 has been declared a pandemic since March 2020. The Covid-19 pandemic has an influence on almost every aspect of society, including health, education, and the economy. Countries that are facing a recession or economic decline implement new government strategies to address these issues. Small and medium-sized businesses, or MSEs, are one of the industries affected. This pandemic has had a significant effect on the MSE sector. However, many industry sectors have had a positive effect (positive winners), such as companies selling medical equipment, textiles, and online businesses. Tourism and hospitality are examples of industries that have a negative influence (Kementerian Perekonomian, 2020).

Micro and Small Enterprises (MSE) is the foundation of Indonesia's economy, with total population over 62 million in 2017, and to grow more than 64 million in 2018, as stated in BPS

Report (Depkop, 2018). This condition shows that MSEs are the main occupation group in Indonesia, which requires Government alignments and various elements of society. Enhancing welfare by strengthening MSEs through economic empowerment, will directly impacting the welfare of the lower class society or as an attempt to alleviating poverty. MSEs are business entities that are withstand to economic shocks as compared to large industries, because apart from being very large, products that are produced by MSEs are products which are convenient to the society and the use of local resources such as labor, capital, raw materials, and equipment, as the results of previous research (Yasin & Yanuarisma, 2016). To increase industrial efficiency, it is necessary to create a concept of synergy Micro and Small Enterprises by develop networking with some institutions that can support MSEs performance. This is because, apart from being known for their resilience, MSEs also have some weaknesses that might be a harm, and likely to be happened, which is human resources (HR), finance, production techniques and operation, as well as market aspects, as well as strategies, where these statements are supported by research results by Munizu, (2010) which state that internal factors have a significant and positive effect against small and micro enterprises performance. A country has concerns to managing MSEs properly, with a more humane business concept and not only seeing business as a profitable activity. Currently the world is paying attention to social entrepreneurship concept, (Sekliuckiene & Kisielius, 2015).

Social entrepreneurship is an entrepreneurship that have responsive and empathy towards social issues characters and use the capabilities of entrepreneurship for social change, mainly at welfare, education and health sector, (Leviner et al., 2007), therefore it is community-based. Social entrepreneurship activities value orientation is an important component that is considered the mother of entrepreneurship (Kickul & Lyons, 2016), and is shown by empirical evidence such as The Ashoka and Grameen Foundation. Social entrepreneur (socio-preneur) is an entrepreneur that in its entrepreneurial involvement activities not only for gaining profit (Azmi et al., 2008), but also has social values, which aim to create social value by finding solutions to social problems. through innovations that involve a combination of various resources, opportunities and social needs, (Chell et al., 2014). According to Prasetyo & Kistanti (2020), the economic consequences suffered during the Covid-19 pandemic, especially for business actors, was negative, which could complicate the resolution of Indonesia's key denominational problems. According to study, social entrepreneurship has the ability to increase prospects rather than new product development. While social entrepreneurship is not a new concept, it has grown into a significant structure and is now a hot topic in entrepreneurship research (Drucker, 2014; Nicolás et al., 2018). Tauber (2021) describes how social entrepreneurship helps to achieve sustainable development goals by addressing societal issues.

The pandemic in Indonesia has returned to normal, with all activities restarting and being carried out in compliance with the Health Policy, including business activities. Covid-19 is currently implementing the new normal condition in order to establish a productive and safe business. The new normal has the potential to inspire MSE players to change their actions as well as their business practices (Silvatika, 2020). This transition is capable of bringing about positive changes, and the company that is maintained is long-term.

According to Brammer dkk. (2007) that religious individuals are tend to have a broader conception about social responsibility in business than non-religious individuals, (Davis, 2013). In Islam, those values are based on the Qur'an and al-Hadith, and according to Hashim (Arshad et al., 2015), it is time for the entrepreneurs to apply Islamic social entrepreneurship,

by using business concepts but have social character. In social life, Islam teaches to give benefits to others and the environment, as recommend by the Prophet Muhammad: *khairunnaan anfauhum lin-naas*, that is, The best of people are those that bring most benefit to the rest of mankind, including economic activities. The value creation concept that combines economic and social values are corresponding with Islamic perspective, to eliminate and to cover the weaknesses of MSEs, through Islamic-based organizations by playing an important role in improving social and economic development, as stated in QS. Al-Baqarah 185: *Allah intends ease for you, not hardship*.

The 'Aisyiyah movement currently aged more than a century old, has committed to three focuses, which are Education, Health and Social, and is now being developed with Economic Empowerment for Women, (http://www.aisyiyah.or.id/, n.d.), which states that the dignity of Indonesian women will not improving without an increase in economic capacity that has been aspired to since its establishment. Various development organizations use social entrepreneurship strategies to achieve community empowerment mission that aims to the independency. Another factor that contribute to the growth of social entrepreneurship in that era is the influence of Islam and the leadership of Javanese aristocrats, including 'Aisyiyah. This is as known in the results of research which states that the current growth of social entrepreneurship depends on three main factors: economic empowerment that perceived on some groups as the result of social entrepreneurship, Islamic identity of social enterprises and social activism (Idris & Hijrah Hati, 2013). This is as the research result, that for the intention of developing social entrepreneurship, support from various parties is needed, and this social capital (Lan & Luc, 2020), which is very important in a country including Indonesia. Women are known tough, which generally carry a double burden of responsibility for household activities and childcare and spend less time for business, (Elizabeth & Baines, 2014). Women are also having interest in human and social capital with pro-social and community-minded motives (Elizabeth, 2007), therefore this Islamic social entrepreneurship model will be very suitable to be developed in the community of MSE women group assisted by 'Aisyiyah.

Most people view entrepreneurship intrinsically related to cultural and social factors, such as being related to gender or ethnicity. Entrepreneurs are often symbolized as "men", thus making it difficult for women to get into entrepreneurship, even accessing economic capital (Laure Humbert & Drew, 2010). Similar research results strengthen the assumption that majority of women become entrepreneurs with categorized motives as "Pull and Push" from the environment, (Orhan & Scott, 2001). "Push" factors are elements that encourage people to become entrepreneurs, such as the need for more income or dissatisfaction in the labor market. "Attractor" factors are elements that are considered attractive to becoming an entrepreneur, such as autonomy and independence, desire, not a need, for more income, desire for personal satisfaction and achievement, or simply because they see opportunities in the form of market gaps.

Women who become entrepreneurs perceive it as a complex function of personal aspirations and family influence, and generally enter the MSE sector because they believe the challenges they will face in this sector are fewer than in large companies. Women seek opportunities to use their skills and experiences, as well as freedom of self-determination.

An entrepreneur is someone who detect an opportunity, finds and seeks the desired opportunity in various situations and believes that success is possible. And from all of the three elements that distinguish individuals from the general society, with the ability to sense opportunities that are often based on deep personal knowledge and experience, from producing products all the time as well as from promoting them. However, the desire to seek opportunities in oneself often is the result of a complex balance between risks and a complex outcome and a balance between risk and success (Azan & Sarif, 2017).

Entrepreneur is a business activity to find opportunities that are utilized by individuals, governments and society all around the world to encouraging economic development. As a business activity, entrepreneurship focuses on innovation, risk management, technology, capital growth, and institutional activities. The linkages between a certain entrepreneurial segments including religion, migrants and gender affecting the government's ability to encourage a creative and business-oriented spirit in the society. Entrepreneurship has been a particular interest to business development focused researchers and public policy planners. This happen because entrepreneurship encourages market innovation which is crucial in an increasingly complex global business world (Ramadani et al., 2016; Ratten et al., 2017). Entrepreneurs' willingness to take risks and be creative is the main characteristic of their personality and behavior.

Entrepreneurship allows people to participate in economic and regional development by encouraging jobs growth and new business activities. There is a spar in the entrepreneurship literature about the meaning of entrepreneurship due to the increasing dynamic abilities of innovative people. Gartner (1990), argues that most of the definitions of entrepreneurship include the characteristics of innovation, value creation, growth, profit, and, describing managerial abilities (Krueger et al., 2000). That means the core of most definitions of entrepreneurship is the willingness to do something and is related to the risk-taking behavior that popularized by the common media about entrepreneurship.

There are eleven main dimensions that are used by individuals when take into consideration to starting a new business: 1) Wealth (getting rich, making money, meeting any financial needs), 2) Vision (realizing one's idea of how the organization should develop, setting goals and capabilities that must be pursued by the organization), 3) Stability (certainty to ensure monthly payment, avoiding risks, maintaining the current lifestyle), 4) Power (ability to affecting the results, make things happen, exert influence, use control), 5) Lifestyle (consideration of multiple careers, time with family, recreational opportunities), 6) Leadership (ability and opportunities to motivate and influence others), 7) Innovation (doing something new or different, introducing original ideas about a product or process), 8) Independence (have flexibility, Be your own boss, work when, where, and with whom to choose), 9) Ego (stand out d from the crowd, winning, creating legacy, making a name, overcome others), 10) Challenge (using full range of talents, self-actualizing, taking more responsibility, dealing with more comprehensive problems), and 11) Contribution (helping others, make a difference to your organization and community, create opportunities). Those eleven dimensions are generated from the findings of research conducted by Zott & Amit, (2007).

Meanwhile, Timmons also describes the entrepreneurial process, which is an important factor for the concerned entrepreneur, and furthermore concludes that the success of entrepreneurship depends on the entrepreneur's ability to balance important factors. The important factor mentioned before is made up of odds, teams, and resources, (Ghee, 2018). The following picture is the relationship of each factors that can be described as follows:



Figure 1. Timmon's Model of the Entrepreneurship Process

Meanwhile Ashoka, who is a global foundation, described that a strict selection process is needed to assess qualitatively, to assess the potential candidates who will make use of the five selection criteria. The criteria established by Ashoka are used to assess the effectiveness of social entrepreneurship are: 1) New ideas that can change the system, 2) Social impact potential, 3) Creativity, 4) Entrepreneurial quality, and 5) Has ethical character to convince the wider community, (Leviner et al., 2007).

Social entrepreneurs do not focus on business results, but more focused on the final result in order to create a sustainability society life transformation, and these transformations must exist at the society level or take social impact. In addition, social entrepreneurs - as private partners – are focusing on the sustainability financial and efficiency of their businesses, in order to set apart from the external support. By mobilizing finance and human resources in the society to create social and environmental impacts independently. Based on the social entrepreneurial behavior theory, researchers can introduce the definitions of working for social entrepreneurship, transformative social entrepreneurship, and serial social entrepreneurship, (Ebrashi, 2013).

Social entrepreneurship usually requires a figure who is also distinctive, with a combination of visionary ideas, people who have leadership skills and commitment to make things happen, and people who are committed to helping others. An entrepreneurial process that brings people together in an idea, and "true" entrepreneurs do have the visionary skills, techniques, and leadership needed, entrepreneurship makes people active as regards to visionary ideas and opportunities. If the idea or the necessity is strong, victory will come, (Defourny & Nyssens, 2010). So social entrepreneurship is someone who is driven by a mission using a series of entrepreneurial behaviors to give social values for underprivileged people, all done through activities that are entity (institutions)-oriented, and with an ultimate goal of being independent, and the ability to meet their needs. Their own necessities are also sustainable, (Abu-Saifan, 2012).

Nicolás & Rubio, (2016) research result confirms that gender discrepancy in social entrepreneurship cases are reducing and shows that women's participation is influenced by the level of the country development, therefore cultural factors or social norms can explain women's behavior. As for someone who starting a business or becoming an entrepreneur should

has a motive first, Kickul & Lyons, (2016) showed, that an act (behavior), must have been preceded by motive first, as shown below:



Figure 2. Model of Social Entrepreneurial Intention

Based on the figure 2, it shows that intention or motive is formed from the emotional pressure of desires that are acceptable and feasible to do in creating a social enterprise.

In the perspective of Islam, the absolute owner in the property is Allah, while the ownership of human beings on the property are limited to carry out the trust and spend it according to what said in the Qur 'an and al-Hadith, (Antonio, 2010), similar things are also mentioned by Veitzal, (Zainal et al., 2017). In order to fulfill the necessities of life, every human being is asked to "compete in goodness" fastabiqul khairat, as the word of Allah SWT. in verse 148 of Al-Baqarah. The Islamic social entrepreneurship, proposes that an enterprise should generate benefit for others, for the entrepreneurs as well as the society with the existence of values creation and employment, as Mustapha et al., (2008). In business activity, it is to increase value added, which transforms things that are less or useless to be useful or more useful than before. In social entrepreneurship, businesses don't only look for profit, but also enhance the social values, which is based on professionalism, accountability and existing technology-based efficiency. Therefore, every Muslim entrepreneur must have the will to support each other. This means changing the old vision (profit-seeking) to a new one, that is by working more productively and sharing contributions, and working not only for their own interests but also for the mankind amelioration. In Al Maidah verse 2, it is emphasized: "Cooperate with one another in goodness and righteousness, and do not cooperate in sin and transgression. And be mindful of Allah. Surely Allah is severe in punishment".

Methodology

This research is a qualitative research. This research focus on Islamic social entrepreneurship during pandemic era. A qualitative research design that involving several sites and research subjects as cases, as stated by Nurul (2015). Therefore, this research use case study approach, which aims to refining theory with the complexity of the issue that can be offered to be a matter of future research. In this case studies it is necessary to focus on the existing cases, and on logical activities that isn't merely observational logic but fundamentally have the tendency to become more reflective, as what stated by Stake (Denzin, Norman, K., 2009). With this reflective principle, researchers can focus and carefully assess different impressions by engaging themselves in collecting and recording work, but did not need to mimic the process of theoreticians, actors and audience conceptualization (Harrison & Leitch, 2018).

Data analysis is the process of sequencing data by organizing them into a pattern, category and basic description sequence units. According to Yin, (2019) that, "Analysis in qualitative research consists of three main components, namely, data reduction, data presentation and drawing conclusions". However, in the process researcher moves in four steps including data collection, data reduction, data presentation and making conclusion or verification.

Data collecting is done by using participatory observation techniques, through activities that carried out by participants or key informants, with the snowball technique, and by in-depth interviews. In addition, the data collection process is also carried out through Focus Group Discussion (FGD), then, after going through data presentation and data reduction, it can be used to verify the data that has been collected. Furthermore, the data analysis process is carried out simultaneously together with the data collection process, as stated by Moleong, (2014), with the following stages: 1) Data collection, 2) Data reduction, 3) Data display, and 4) Conclusion drawing and verifying, as stated from (Alwasilah., 2015).

Results and Discussions

Women Motivation in Becoming an Entrepreneur

The results of this study indicate that a woman who enters the business world because she have had the intention, which can be strengthened because there are empathy, moral judgment, and self-efficacy, as well as because of the support of other parties, as stated by Kickul & Lyons, (2016), and in accordance to the research results (Rajan & Panicker, 2020). The results of the interview also illustrate:

"After the divorcement, I had no earnings because I was not a working woman. After a while I realized that life had to go on, and I started a food product, fresh food reseller business. Currently I have started to process it myself and already have my own brand". Another interview result stated:

"I started by do some extra cooking when there were parental meetings, I sold them (extra dish) around them, and as it continued to grow, they ordered dishes for certain needs. Currently this business has developed into a catering business and has a brand".

Other interview results stated:

"My previous activity was to selling milk from our small farm cows, but then I thought, the price is very cheap, while the milk's expired date is very fast and perishable, so I thought about processing the milk products. And now my dairy business has grown".

Results of other studies also confirm that motivation is a set of power to initiate behavior and determine the form, direction, intensity, and duration, and the women are motivated to do business by a variety of factors, (Okafor & Amalu, 2010). These also shown by the research by Zott & Amit, (2007), result, which states that a female entrepreneur generally has complex motivations, which are personal aspirations and also family influences. Women entrepreneurs generally start a business through the MSME sector, because they consider that the challenges they face in this sector are fewer than in large companies (Rajan & Panicker, 2020). This is because, women also want to seek for opportunities to use their skills, experience and desire the freedom them to determine their own fate, as found in the previous research (Kristiansen et al., 2003), so that entrepreneurship is perceived as a way of wealth creation for women.

Based on their inherent role, women entrepreneur globally are often used as a social, economic, and cultural empowerment instrument. The results of this study also showed that

there are some necessity of a better understanding about some obstacles that would hinder the prospective women entrepreneur, as well as some specific supports that required for a woman to start an entrepreneurship, as also found in the research of Laure Humbert & Drew, (2010). Other than that, it there are some necessary process in entrepreneurship that must be carried out by beginners, as described in the "Timmons Model", with three critical factors, namely opportunity, team, and resources. Founder is the one to act as a main player, therefore the three critical factors must be able to be played in a balanced manner in the business management, which also supported by the research results of Zhang & Yang, (2006). However, apart from the model that was brought up by Timmon, what must have been done is to provide support for women's economic independence, because basically women have good motivation. This is supported by research results of (Rosca et al., 2020), which shows that women who are doing social entrepreneurs have high motivation for social problems. In addition, women entrepreneurs have a sense of sensitivity in the business creation process. The study also highlights specific challenges faced by women entrepreneurs in the context of developing markets and the inclusive strategies that can be applied to enhancing socio-economic development.

'Aisyiyah as a Social Agent in Entrepreneurhip

This study is done by 'Aisyiyah Organizations, whose have had organization vision as to creating a prosperous society, by the blessing of Allah, that carried by the society who lead their citizens towards the happiness of the world and the Hereafter, (http://www.aisyiyah.or.id/, n.d.). To achieve this goal, 'Aisyiyah, which is now stand as the Women's Movement, acts as a social agent by launching a program of Economic Empowerment for Women. A woman also wants to be independent when she has a family, some also have a high social psyche. Women with feminist psyche, not only interested in 'money', but also has had solicitude that causing the society to consider them as a 'mother' for the community. And as the basis of social entrepreneurship, it is closely identified with the spirit of women (which is more feminine), as stated by Humbert, (2012).

Now that social and environmental issues are become an urgent topic, it is important to understand the political dynamics that can encouraging sustainable development and to identify the actors who make changes into this direction can be happen (Partzsch & Ziegler, 2011). The results of the observations from this study found that 'Aisyiyah is able to play a role as a Social Agent, in the Economic Empowerment Program application that they develop, as has been done to the women entrepreneur community, the Micro and Small Business Group (MSE). The role as a Social Agent was conveyed in the General Chair's Speech, that 'Aisyiyah must be a trigger for change towards some advancements of women and become a strong attraction for the women's movement in Indonesia, especially through economic empowerment (https://republika.co.id/berita/pqeifd399/ aisyiyah-memberdayakan-perempuan-melalui-islam-berkemajuan, 2018). With that role, 'Aisyiyah develop a program to dealing social and ecological problems through an entrepreneurial way.

The conceptual model as an initiative social entrepreneurship development, will connect various entrepreneurship individual factors, social opportunities recognition on community factor, and give the result as a new value which originates from the social entrepreneurship development process. This results shows, that it is important to develop the concept first, to have a role in the of social entrepreneurship initiatives development process. The results of this study are be in accordance with Sekliuckiene & Kisielius, (2015).

Implementation of the speech that was stated by the General Chairperson at the National Assembly, apart from affecting the organization, also in order to transferring noble values to individuals in the community. An individual who acts as a social entrepreneur must have the ability to solve social problems, with innovative solutions, (Abu-Saifan, 2012). With these understandable values, it will have an impact on human development, and it will determine the sustainability of social entrepreneurship. Although the measurement of economic value is generally available, measurement in the social value or social impact meet some difficulties, especially in formulating mutually acceptable measures. Islamic-based organizations can play an important role in promoting social and economic development.

This social entrepreneurship must be a mutual solution, because eventually the success of this business is not only measured by the money it received, but also their business operations that contribute to the community, or reflect a mutual value, vision, and desire to combine work with family, this result is in accordance with Wang, (2019) research result, and it is necessary to maintain congruency in existing conditions to preserve it's sustainability. Business training is still necessary to social entrepreneurs, in order to empower women economic which are the MSE community. Thus social business is also a development tool, advancing women's rights through cultural means, through economic empowerment. And for the effectiveness and sustainability of the MSE business, it is necessary to strengthen the weaknesses that are generally experienced by the MSEs (Bansal et al., 2019). While being strengthened is the aspects of microfinance, business training, and entrepreneurial (Maracine, 2020), including the resources of human, operational engineering aspects, and also marketing aspects. Social network development should be done through focusing on the community, which are involving various areas of the living, including home, work, environment, local organizations, and socioreligious groups. Thus, local places will become areas or platforms for job creation, which provide connections between women entrepreneurs and their communities (Ekinsmyth, 2011).

Islamic Social Entrepreneurship Model

Social entrepreneurship is an emancipation perspective (Chandra, 2017), which is carried out by exploring the potential for social entrepreneurship, which can be used by any individual to throwing off an unpleasant past, such as a condition of drug addiction, former convicted people, or other experiences. Social business will help lift and rebuild someone's mental that has been fallen (Jennings et al., 2016). Entanglement in entrepreneurship can be emancipatory by allowing individuals not only to escape from some of the constraints that have threatened them, but also to build a new meaning in life and a new social role as well as the new connection, so it can build a new future. To be involved in social entrepreneurship, it is necessary to understand and recognize the values that will become the base of behavior. Concept of value creation in social entrepreneurship is trying to combine economic and social values, which are in accordance with the Islamic perspective about trustworthy (Arshad et al., 2015). In Islamic teachings, where Allah commands his servants through holy verses (QS), QS. Al-Baqarah verse 148: "And every Ummah has a Qibla that he faces towards Him. So compete with you in goodness. Wherever you are, Allah will gather you all". Likewise in QS. Al-Maidah verse 2: "Cooperate with one another in goodness and righteousness, and do not cooperate in sin and transgression. And be mindful of Allah. Surely Allah is severe in punishment". In Islamic view, all activities in life have the value of worship, and there are demands that serve as guidelines for behave, including in running the economy. This activity in relation to the economy is termed contemporary worship, in which humans are considered to know more

about their life, as a Hadith of the Prophet SAW said: "You know more about your world affairs", Hadith Shahih Muslim.

In Islamic teachings, in all of life there are laws and rules that must be obeyed, and the highest law is the Qur'an, then Al Hadith and the next is *ijtima 'alama* (the result of the agreement of the 'alama). The results of this study showed that the Social Religious Movements 'Aisyiyah who has developed the Work Program of Economic Empowerment for women, is an implementation of the organization's vision, which done by training, workshops, School of 'Aisyiyah Entrepreneurship (SWA – *Sekolah Wirausaha 'Aisyiyah*), as stated (Puspita, 2016), thus also in (Dedi Rianto Rahadi & Zanial, 2014). This is to implement the objectives of the organization, that is escalating women's quality of life, to achieve the welfare of her family, by encouraging women to become more independent through the Program for Business Development Economic Families' Aisyiyah (BUEKA - *Bina Usaha Ekonomi Keluarga 'Aisyiyah*), with businesses based on local wisdom. With the implementation of the National Economic Program, the design of an Islamic Social Entrepreneurship Model can be seen in the following figure:



Figure 3. Islamic *Social Entrepreneurship* Models in UMK Source: Processed from the Study Results

The whole business, both for Micro, Small and Medium Enterprises (MSEs) certainly trying to be able to observe its resistance to the whole challenge and thing that become some barriers that will faced by the organization. To be able to survive, then a business can be described as the picture above, this is more guaranteed for its sustainability, as where is the figure 3 above.

The main goal of running a business, especially as an entrepreneur, is to maintain business sustainability so that it always develops and runs well. Due to changes in the economy, the existence of the Covid-19 pandemic is a major challenge for a business actor, and business actors must consider ways to develop and run their businesses, one of which is entrepreneurial motivation. An entrepreneur who is socially engaged focuses on social problems, has a tendency for certain types of behavior, and strives to achieve social goals (Mair & Noboa, 2003). One of the solutions to social and environmental problems that can lead to a competitive advantage is the presence of talent, experience, and entrepreneurial motivation. One of the solutions to social and environmental problems that can lead to a competitive advantage is the presence of talent, experience, and entrepreneurial motivation. In the concept of social entrepreneurship, the most basic role is played by entrepreneurs' motivation (Ruiz-Rosa *et al.*, 2020). Whereas the primary goal of entrepreneurship in general is to generate profits, the primary goal of social and environmental entrepreneurs is to solve social and environmental problems (Martin & Osberg, 2007). With the current pandemic situation, it is hoped that social business actors will continue to carry out their business activities and activities, ensuring that MSEs continue to own business sustainability.

Conclusion

Due to pandemic conditions, all of entities have to adjust strategies and methods in an variety of sectors, especially an economic sector. Government policies in the sector have an impact on Indonesia's small and medium-sized businesses. MSEs are attempting to get up and re-action in order to increase their potential. The potential of micro and small businesses is important to develop in order to improve the economy in developing countries. In this case, they need to carry out of all the fields upgrades in economic and managerial aspects, by considering that until nowadays this is the weakness of Micro and Small Enterprises (MSEs). Islamic social entrepreneurship applies Islamic values in helping problems that occur in society. In the pandemic era, so many people feel the impact of the pandemic, so that Islamic social entrepreneurs have an important role. From of the financial perspective, micro-finance is seen as a powerful tool to reach and uplift the poor, which is still being the largest population of society. Increasing their standard of living by creating jobs, and to improve demand for goods and services by empowering as have been being designed. The MSE business has contributed to economic growth and reduced poverty, so it is important for the Government or social organizations to provide support for their existence. 'Aisyiyah as a social movement is responsible for shaping and improving women's skills and capacities in organizing entrepreneurship. This entrepreneurial can be manifested in the implementation of economic programs and women's empowerment, which is the goal of the organization, namely to increase women's independence through the economy and women's empowerment, so as to achieve improving community welfare. 'Aisyivah as an Agent of Change is able to elevate women entrepreneurs and support the success of the businesses of these MSE groups, showing that they are well managed in a business based of Islamic values. Various businesses have been generated from these MSEs, such as fashion, catering, lodging, salon and bridal, as well as food and beverage processing, and these are all potential businesses. Islamic social entrepreneurship is primarily an opportunity to increase the capacity of SMEs based on their norms and values, so that they will benefit and support their businesses and lives, for their survival based on their trust and beliefs.

References

Abu-Saifan, S. (2012). Social Entrepreneurship: Definition and Boundaries. *Technology Innovation Management Review*, 2(2), 22–27. https://doi.org/10.22215/timreview523 Alwasilah., C. (2015). *Pokoknya Studi Kasus, Pendekatan Kualitatif* (ke satu). PT Kiblat Buku Utama.

- Antonio, M. S. (2010). *Muhammad SAW: The Super Leader Super Manager*. proLM Center dan Tazkia Publishing.
- Arshad, R., Noor, A. H. M., & Yahya, A. (2015). Human Capital and Islamic-Based Social Impact Model: Small Enterprise Perspective. *Proceedia Economics and Finance*, 31(15), 510–519. https://doi.org/10.1016/s2212-5671(15)01195-8
- Azan, Z., & Sarif, S. M. (2017). A Contemporary Theory of Social Entrepreneurship from Tawhidic Paradigm : A Conceptual Study. *International Journal of Academic Reserach in Business and Social Sciences*, 7(3), 392–400. https://doi.org/10.6007/IJARBSS/v7i3/2771
- Azmi, A., Ariffin, M., Hj, A., Suhaimi, M., & Adib, M. (2008). Determining Decision-Making Styles and Demographic Differences in Selecting Higher Education Services among Malaysian. *International Journal of Business and Society*, 9(1), 1.
- Bansal, S., Garg, I., & Sharma, G. D. (2019). Social entrepreneurship as a path for social change and driver of sustainable development: A systematic review and research agenda. *Sustainability (Switzerland)*, 11(4). https://doi.org/10.3390/su11041091
- Chandra, Y. (2017). Social entrepreneurship as emancipatory work. *Journal of Business Venturing*, 32(6), 657–673. https://doi.org/10.1016/j.jbusvent.2017.08.004
- Chell, E., Spence, L. J., Perrini, F., & Harris, J. D. (2014). Social Entrepreneurship and Business Ethics: Does Social Equal Ethical? *Journal of Business Ethics, Springer*, 133(4), 619–625. https://doi.org/10.1007/s10551-014-2439-6
- Davis, M. K. (2013). Entrepreneurship: an Islamic perspective. *International Journal Entrepreneurship and Small Business*, 20(1), 63–69.
- Dedi Rianto Rahadi, D., & Zanial, M. (2014). Implementasi Konsep Kewirausahaan sosial Sebagai Model Pembelajaran di Perguruan Tinggi. *Jurnal Matriks*, 2.
- Defourny, J., & Nyssens, M. (2010). Conceptions of social enterprise and social entrepreneurship in Europe and the United States: Convergences and divergences. *Journal of Social Entrepreneurship*, *1*(1), 32–53. https://doi.org/10.1080/19420670903442053
- Denzin, Norman, K., Y. S. L. (2009). Qualitative Research. In *Sage Publication Ltd*.https://books.google.co.id/books?id=X85J8ipMpZEC&printsec=copyright&hl=id#v =onepage&q&f=false
- Depkop. (2018). Perkembangan Data Usaha Mikro, Kecil, Menengah Dan Usaha Besar. In *www.depkop.go.id* (Vol. 2000, Issue 1).
- Drucker, P. F. (2014). *Innovation and Entrepreneurship practice and principal*. HarperCollins Publishers, Inc.
- Ebrashi, R. El. (2013). Social entrepreneurship theory and sustainable social impact. *Social Responsibility Journal*, 9(2), 188–209. https://doi.org/10.1108/SRJ-07-2011-0013
- Ekinsmyth, C. (2011). Challenging the boundaries of entrepreneurship: The spatialities and practices of UK "Mumpreneurs." *Geoforum*, 42(1), 104–114. https://doi.org/10.1016/j.geoforum.2010.10.005
- Elizabeth, C. (2007). Social Enterprise and Entrepreneurship: Towards A Convergent Theory of The Entrepreneurial Process. *International Small Business Journal*, 25(1), 5–26. https://doi.org/10.1177/0266242607071779
- Elizabeth, C., & Baines, S. (2014). Does gender affect business 'performance'? a study of microbusinesses in business services in the uk. *Entrepreneurship & Regional Development:* An International Journal, 10(2), 117–135. https://doi.org/10.1080/08985629800000007
- Ghee, W. Y. (2018). An Application of Timmons Model in the Mini Entrepreneurial Logistics Project. Advances in Social Sciences Research Journal, 5(10), 511–520.

https://doi.org/10.14738/assrj.510.5541

- Harrison, R. T., & Leitch, C. M. (2018). Research handbook on entrepreneurship and leadership. In *Research Handbook on Entrepreneurship and Leadership*. https://doi.org/10.4337/9781783473762
- Http://www.aisyiyah.or.id/. (n.d.). No Title.
- https://republika.co.id/berita/pqeifd399/aisyiyah-memberdayakan-perempuan-melalui-islamberkemajuan. (2018). 'Aisyiyah Memberdayakan Perempuan Melalui Islam Berkemajuan. *Republika.Co.Id*.
- Humbert, D. A. L. (2012). Women as social entrepreneurs. In *Economic and Social Research Council (ESRC)* (No. 72; Third Sector Research Centre, Issue February). https://doi.org/10.1002/j.2162-6057.1989.tb00695.x
- Idris, A., & Hijrah Hati, R. (2013). Social Entrepreneurship in Indonesia: Lessons from the Past. *Journal of Social Entrepreneurship*, 4(3), 277–301. https://doi.org/10.1080/19420676.2013.820778
- Jennings, J. E., Jennings, P. D., & Sharifian, M. (2016). Living the Dream? Assessing the "Entrepreneurship as Emancipation" Perspective in a Developed Region. *Entrepreneurship: Theory and Practice*, 40(1), 81–110. https://doi.org/10.1111/etap.12106
- Kickul, J., & Lyons, T. S. (2016). Understanding Social Entrepreneurship: The Relentless Pursuit of Mission in an Ever Changing World (Second). Routledge. http://www.routledge.com/cw/lyons
- Kristiansen, S., Furuholt, B., & Wahid, F. (2003). Internet café entrepreneurs Indonesia. *The International Journal of Entrepreneurship and Innovation*, 4(4), 251–263. https://doi.org/10.5367/00000003129574315
- Krueger, N. F., Reilly, M. D., & Carsrud, A. L. (2000). Competing models of entrepreneurial intentions. *Journal of Business Venturing*, 15(5), 411–432. https://doi.org/10.1016/S0883-9026(98)00033-0
- Lan, P. X., & Luc, P. T. (2020). A conceptual model of social entrepreneurial intention based on three dimensions of social capital. *International Journal of Entrepreneurship and Small Business*, *41*(1), 115–128. https://doi.org/10.1504/IJESB.2020.109434
- Laure Humbert, A., & Drew, E. (2010). Gender, entrepreneurship and motivational factors in an Irish context. *International Journal of Gender and Entrepreneurship*, 2(2), 173–196. https://doi.org/10.1108/17566261011051026
- Leviner, N., Crutchfield, L. R., & Wells, D. (2007). Understanding the impact of social Entrepreneurs: ASHOKA 'S answer to the measurement of challenges. In *Research on Social Entrepreneurship*. https://www.dmeforpeace.org/resource/understanding-the-impact-of-social-entrepreneurs-ashokas-answer-to-the-challenge-of-measuring-effectiveness/
- Mair, J., & Noboa, E. (2003). Social entrepreneurship: How intentions to create a social entreprise get formed.
- Maracine, L. L. (2020). Economically Empowering Women As Foreign Policy: A Phenomenological Study On Building Peace In Northern Uganda Through Social Enterprise. In *ProQuest*. University of Southern California (USC).
- Martin, R. L., & Osberg, S. (2007). Social Entrepreneurship: The Case for Definition. In *Stanford Social Innovation Review*. Leland Stanford Jr. University.
- Moleong, J. L. (2014). Metodologi Penelitian Kualitatif (Revisi). PT Remaja Rosdakarya.
- Munizu, M. (2010). Pengaruh Faktor-Faktor Eksternal dan Internal Terhadap Kinerja Usaha Mikro dan Kecil (UMK) di Sulawesi Selatan. *Jurnal Manajemen Dan Kewirausahaan*, *12*(1), 33–41. https://doi.org/10.9744/jmk.12.1.pp.33-41
- Mustapha, R., Zapata, V., & Jung-Kim, J. (2008). Promoting Human Capital Through Social

Entrepreneurship: A Comparative Study of Indonesia and China. Jurnal Pendidikan Malaysia, 33, 61–79.

- Nicolás, C., & Rubio, A. (2016). European Journal of Management Social enterprise : Gender gap and economic development. *European Journal of Management and Business Economics*, 25(2), 56–62. https://doi.org/10.1016/j.redeen.2015.11.001
- Nicolás, C., Rubio, A., & Fernández-Laviada, A. (2018). Cognitive Determinants of Social Entrepreneurship: Variations According to the Degree of Economic Development. *Journal of Social Entrepreneurship*, 9(2), 154–168. https://doi.org/10.1080/19420676.2018.1452280
- Nurul, U. P. D. M. P. (2015). *Metode Penelitian Kualitatif Di Bidang Pendidikan: Teori dan Aplikasinya* (Ketiga). MNC Publishing.
- Okafor, C., & Amalu, R. (2010). Entrepreneurial Motivations as Determinants of Women Entrepreneurship Challenges. *Economic Sciences Series*, *LXII*(2), 67–77. http://upgbulletin-se.ro/old_site/archive/2010-2/7. Okafor_Amalu.pdf
- Orhan, M., & Scott, D. (2001). Why women enter into entrepreneurship: An explanatory model. *Women in Management Review*, 16(5), 232–247. https://doi.org/10.1108/09649420110395719
- Partzsch, L., & Ziegler, R. (2011). Social entrepreneurs as change agents: A case study on power and authority in the water sector. *International Environmental Agreements: Politics, Law and Economics*, 11(1), 63–83. https://doi.org/10.1007/s10784-011-9150-1
- Perekonomian, K. K. B. (2020). Ekonomi Berbasis Inovasi dan Teknologi Pendukungnya. Lecturer Series dalam Forum Dekan Teknik Indonesia, 12 Juni 2020.
- Prasetyo, P. E., & Kistanti, N. R. (2020). Role of Social Entrepreneurship in Supporting Business Opportunities and Entrepreneurship Competitiveness. *Open Journal of Business* and Management, 08(04), 1412–1425. https://doi.org/10.4236/ojbm.2020.84090
- Puspita, H. (2016). Usaha Pemberdayaan Perempuan Melalui Pengembangan Kabupaten Sidoarjo Aisyiyah And Creative Economy: Women 'S Empowerment Enterprises Through Family Entrepreneurship Development In Tanggulangin Districts Of Sidoarjo. *Prosiding Seminar Nasional Ekonomi Dan Bisnis*, 383–393.
- Rajan, S., & Panicker, S. (2020). The concept of entrepreneurial ability-evidence from women in MSMEs of Karnataka state. In *International Journal of Entrepreneurship and Small Business* (Vol. 41, Issue 1). https://doi.org/10.1504/IJESB.2020.109429
- Ratten, V., Alamanda, D. T., Ramadani, V., Hashani, M., & Anggadwita, G. (2017). Entrepreneurial intentions from an Islamic perspective: a study of Muslim entrepreneurs in Indonesia. *International Journal of Entrepreneurship and Small Business*, 31(2), 165. https://doi.org/10.1504/ijesb.2017.10004845
- Rosca, E., Agarwal, N., & Brem, A. (2020). Women entrepreneurs as agents of change: A comparative analysis of social entrepreneurship processes in emerging markets. *Technological Forecasting and Social Change*, 157(March), 120067. https://doi.org/10.1016/j.techfore.2020.120067
- Ruiz-Rosa, I., Gutiérrez-Taño, D., & García-Rodríguez, F. J. (2020). Social entrepreneurial intention and the impact of COVID-19 pandemic: A structural model. *Sustainability* (*Switzerland*), 12(17), 9–12. https://doi.org/10.3390/SU12176970
- Sekliuckiene, J., & Kisielius, E. (2015). Development of Social Entrepreneurship Initiatives: A Theoretical Framework. *Procedia - Social and Behavioral Sciences*, 213, 1015–1019. https://doi.org/10.1016/j.sbspro.2015.11.519
- Silvatika, B. A. (2020). Technosociopreneur, New Model UMKM di Era New Normal.

Prosiding Seminar Stiami, 7(2).

- Tauber, L. (2021). Beyond Homogeneity: Redefining Social Entrepreneurship in Authoritarian
Contexts. Journal of Social Entrepreneurship, 12(1), 50–68.
https://doi.org/10.1080/19420676.2019.1668829
- Wang, Q. (2019). Gender, race/ethnicity, and entrepreneurship: women entrepreneurs in a US south city. *International Journal of Entrepreneurial Behaviour and Research*, 25(8), 1766–1785. https://doi.org/10.1108/IJEBR-05-2017-0156
- Yasin, M. Z., & Yanuarisma, I. (2016). Sinergi Industri dan UMKM Berbasis Kelembagaan dalam Meningkatkan Daya Saing Industri Nasional: Skema Implementasi dan Transmisi. Jurnal Ilmu Ekonomi Terapan, 01(2), 65–91. https://media.neliti.com/media/publications/98850-ID-sinergi-industri-dan-umkmberbasis-kelem.pdf
- Yin, P. D. R. K. (2019). Studi Kasus, Desain dan Metode (16th ed.). Raja Grafindo Persada.
- Zainal, V. R., Alamsyah, H., Sugiharto, & Antonio, M. S. (2017). *Islamic Entrepreneurship: maju, berkembang dan bertahan dengan teladan bisnis Rasulullah* (1st ed.). BPFE Fakultas Ekonomi dan Bisnis UGM. http://www.bpfe.feb.ugm.ac.id
- Zhang, Y., & Yang, J. (2006). New venture creation: Evidence from an investigation into Chinese entrepreneurship. *Journal of Small Business and Enterprise Development*, *13*(2), 161–173. https://doi.org/10.1108/14626000610665872
- Zott, C., & Amit, R. (2007). Business model design and the performance of entrepreneurial firms. *Organization Science*, *18*(2), 181–199. https://doi.org/10.1287/orsc.1060.0232