

Research Article

# Transforming Community Capabilities Through Entrepreneurial Innovation Models: Evidence from Participatory and Impact Oriented Development Programs

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**Abstract:** This study explores the transformative impact of entrepreneurial innovation models in participatory and impact oriented development programs on community capabilities. By employing a qualitative dominant mixed methods approach, the research investigates how these models contribute to long term community empowerment through the enhancement of entrepreneurial skills, autonomy, and social capital. The study integrates both qualitative and quantitative data collected through participatory observation, interviews, and case studies, offering a comprehensive evaluation of multiple development initiatives. Key findings reveal that entrepreneurial innovation models significantly improve community members' entrepreneurial skills, allowing them to start and sustain their own businesses. Moreover, the study demonstrates that these models foster greater autonomy in decision making and enterprise management, leading to increased self reliance within communities. Through a combination of program evaluation methods, the research highlights the long term impacts of these models on community based entrepreneurial ventures, emphasizing not only the creation of new businesses but also the sustainability of these ventures over time. The capability based approach, which focuses on what individuals can achieve rather than what they possess, is identified as a key framework for assessing the effectiveness of these programs. This approach provides a deeper understanding of how community members are empowered and how their capabilities evolve over time. In comparison with conventional development programs that primarily focus on short term economic outcomes such as income generation and job creation, this study underscores the value of a capability based evaluation. It demonstrates that fostering a culture of innovation, collaboration, and leadership leads to more sustainable and self reliant communities. Based on these findings, the study recommends that future development initiatives integrate entrepreneurial innovation models to enhance community resilience and ensure long term sustainability. This approach, which emphasizes capability building over output delivery, will contribute to the creation of empowered communities capable of managing their own development in a rapidly evolving socio economic landscape.

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## 1. Introduction

Community development programs are crucial for empowering communities and promoting sustainable growth. These initiatives focus on enhancing the capabilities of communities to meet their needs and foster positive changes. By engaging community members as active participants, these programs help cultivate healthier, cooperative, and prosocial relationships [1]. These development efforts typically span various domains such as education, environmental sustainability, health, and spiritual growth, contributing to the long term social and economic well being of the community [2]. Additionally, community based service learning programs have gained prominence as effective tools for advancing

sustainable development, particularly in achieving SDGs related to quality education and the development of sustainable cities [3].

Community development programs also play a vital role in promoting sustainable growth by integrating environmental, socio economic, and cultural concerns. Sustainable community development emphasizes the mobilization of both citizens and governments to strengthen community capital, which includes local assets and resources, through participatory planning processes [4]. This approach allows communities to continually adapt to the social and economic needs of their residents while ensuring the environment's capacity to sustain them in the long term [5]. For instance, capacity building initiatives like seaweed cultivation programs have successfully enhanced the socio economic status of local fishermen while promoting long term sustainable practices [6].

Despite the substantial benefits of these programs, a gap often remains between the outputs delivered and the transformation of community entrepreneurial capabilities. Traditional community development programs tend to prioritize short term outputs, such as income generation or infrastructure improvements, but fail to focus on fostering long term entrepreneurial skills essential for sustainable development [7]. While entrepreneurial competencies are vital for driving systemic change, there is limited research on how these competencies impact transformational entrepreneurship, particularly in marginalized communities [7], [8].

This gap underscores the need for innovative approaches that can empower communities to develop their entrepreneurial capacities over the long term. Social enterprises, for example, have proven to be critical in providing alternative services that empower vulnerable groups and promote socio economic emancipation [9]. These enterprises not only create jobs but also foster a culture of innovation that is necessary for community sustainability. Furthermore, community based identity transformation programs through entrepreneurship education offer marginalized individuals the opportunity to break free from social constraints and embrace new entrepreneurial identities [5].

Programs like the EDGE initiative demonstrate how community based development can effectively build entrepreneurial capacity by providing practical skills that empower individuals. These initiatives illustrate that community development should not only focus on output delivery but also prioritize the long term development of entrepreneurial capabilities that enable communities to thrive independently [3]. In this way, community driven models of entrepreneurship can bridge the gap between short term results and long term transformation.

Traditional community development programs often focus on immediate economic relief or short term projects, overlooking the long term cultivation of entrepreneurial capabilities essential for sustainable growth. These programs tend to emphasize outputs such as income generation and infrastructure improvements, rather than fostering ongoing entrepreneurial innovation and capacity building within communities. This insufficient focus on long term entrepreneurial development limits the ability of communities to achieve sustainable economic, social, and environmental objectives [10], [11]. Sustainable community growth requires an entrepreneurial approach that integrates innovation and community driven development strategies that adapt to evolving needs and foster resilience.

The purpose of this study is to analyze how entrepreneurial innovation models contribute to transforming community capabilities within participatory and impact oriented development programs. This study will explore various models and strategies to identify the key elements that enhance community resilience, foster sustainable development, and promote inclusive economic growth. By focusing on entrepreneurial innovation, the research aims to highlight strategies that address the gap between short term outputs and long term transformational impact in community development [12], [13].

Entrepreneurial innovation models are integral to the success of community enterprises. Community enterprise entrepreneurs play strategic roles in goal setting, resource management, networking, and leadership, essential for integrating economic, social, and environmental objectives [10]. These roles not only promote business growth but also contribute to broader community development goals, including environmental sustainability and social cohesion. Entrepreneurial leadership within community enterprises fosters an environment where innovation thrives, ensuring that long term objectives can be met effectively.

Social innovation is another crucial aspect of community based entrepreneurial development. The relationship between creativity and entrepreneurial intention is fundamental to driving social innovation within communities. Engagement in social

innovation is positively related to self creativity, family context, and entrepreneurial intention, highlighting the importance of cultivating these traits for the success of community driven development programs [14]. By focusing on enhancing social innovation, community programs can generate more sustainable and impactful changes in the lives of individuals and communities.

The integration of Artificial Intelligence (AI) and green entrepreneurship has been identified as a central driver for the sustainable performance of small and medium enterprises (SMEs). AI capabilities, coupled with a green entrepreneurial orientation, promote creativity and green innovations, which are crucial for long term sustainability and competitive advantage [12]. These innovations can contribute to building resilient communities by supporting enterprises that prioritize environmental and social goals while maintaining profitability.

Finally, digital platforms (DPs) have proven to significantly enhance entrepreneurial innovation and effectiveness. By promoting the development of platform enterprises and improving intrapreneurship activities, DPs foster the self development of entrepreneurs and contribute to building sustainable entrepreneurial ecosystems [15]. Digital platforms facilitate the exchange of knowledge and resources, allowing entrepreneurs to scale their businesses while adhering to sustainability principles. Through the use of digital platforms, entrepreneurs can overcome geographical and logistical barriers, thereby expanding their impact within and beyond their communities.

## 2. Literature Review

### Review of Existing Literature on Community Development Programs

Community development programs traditionally emphasize tangible outputs such as the construction of housing, the creation of new businesses, and the enhancement of social services. However, a shift in focus is emerging towards building community capabilities, which empower communities to address their own issues sustainably. This approach emphasizes the importance of not just the outputs of development programs but also the processes that enable communities to solve problems independently in the long term [16]. The capability approach, as proposed by Amartya Sen, is central to this perspective, focusing on what people can achieve rather than merely what they possess. It underscores the importance of both the processes and outcomes of development [16], [17]. Various community development projects have successfully applied this approach, demonstrating its effectiveness in identifying barriers to growth and highlighting options valued by citizens [18]. For instance, studies conducted in New Zealand and Samoa illustrated significant improvements in participants' capabilities, emphasizing the importance of community participation in development [16]. Additionally, participatory approaches, such as those implemented in rural Bangladesh, have been shown to enhance the relevance and effectiveness of development initiatives by incorporating community input [18].

### Theories of Entrepreneurial Innovation and Their Relevance to Community Development

Entrepreneurial innovation is crucial in fostering economic growth and resilience within communities. Entrepreneurial innovation theories focus on the interplay between macro level economic development and micro level entrepreneurial initiatives, providing a comprehensive understanding of community development. These entrepreneurial communities act as key drivers of economic growth, where collaboration and networking among local businesses are encouraged, creating a dynamic environment for innovation [19]. In sectors such as tourism, entrepreneurial innovation can lead to sustainable livelihoods and the establishment of community networks that contribute to regional economic growth [20]. These networks facilitate not only economic development but also enhance social cohesion and environmental sustainability.

The theoretical constructs of entrepreneurial communities are rooted in systems thinking and living systems theory, which highlight the interconnectedness of various elements within a community [21]. These constructs provide a framework for understanding how entrepreneurial activities can stimulate regional growth and development. From a practical standpoint, programs such as EDGE, which focus on building community capacity and providing essential entrepreneurial skills, demonstrate how local entrepreneurship can be

nurtured to foster sustainable growth [22]. Furthermore, the integration of stakeholder theory and social innovation highlights the importance of considering local cultural and contextual factors when designing entrepreneurial ventures [23]. These frameworks are critical for ensuring that entrepreneurial development is aligned with the specific needs and values of the community.

Community entrepreneurship, which emphasizes the role of entrepreneurial individuals and the opportunities they identify within their communities, is fundamental to rural development. This approach fosters resilience and prosperity by promoting social networks and local coordination [20]. The concept of social capital plays a vital role in this process, as strong social networks can enhance the capacity for innovation and sustainability within the community. By creating an environment that supports entrepreneurship, communities can build dynamic networks that drive long term social and economic benefits [19]. The literature also suggests that leadership within entrepreneurial communities, both within and outside firms, significantly impacts the success and sustainability of these networks. Effective leadership strategies can help foster a supportive environment for entrepreneurship, ensuring the vitality and longevity of local businesses [22].

### **Previous Studies on Participatory Development and Its Impact on Community Empowerment**

Participatory development has long been recognized as a powerful approach to empowering marginalized communities and fostering sustainable growth. This approach emphasizes the active involvement of community members in decision making and the development process, which helps enhance the quality of life, reduce poverty, and promote sustainable development [24]. Studies have demonstrated that community participation plays a significant role in improving local development outcomes. For example, decentralization initiatives in Pakistan, which involved community based organizations like Citizen Community Boards (CCBs), resulted in improvements in human development and community empowerment, though challenges such as elite control and limited resource access remained [24]. Similarly, participatory evaluation methodologies in rural Australian communities showed varying degrees of empowerment, particularly in social, technological, political, and psychological dimensions, despite some disempowering effects [25]. Youth led participatory research has also proven effective in fostering civic participation and positive development among economically disadvantaged urban youth by enhancing their sociopolitical skills and motivation to influence their communities [26]. Furthermore, participatory design approaches in urban areas have been shown to revitalize community vitality, fostering interactive learning and continuous communication among residents, which enhances social cohesion [27].

### **Discussion on the Challenges and Successes of Impact Oriented Programs, Particularly in Terms of Fostering Long Term Entrepreneurial Skills**

Impact oriented programs, particularly those aimed at fostering long term entrepreneurial skills, face several challenges and successes. One significant challenge is the alignment of institutional support frameworks with the unique needs of impact entrepreneurs. These entrepreneurs often require clear operational guidelines, financial and legal support systems, and access to a skilled workforce to effectively scale their ventures [28]. Moreover, while impact oriented accelerators successfully attract investment into promising ventures, they often struggle to extend their benefits to ventures in emerging markets or those led by women [29]. This gap in institutional support can limit the success of these programs, particularly for underrepresented groups, such as female entrepreneurs and those operating in developing markets.

On the other hand, entrepreneurial education programs have shown significant success in fostering an entrepreneurial mindset and equipping individuals with the necessary skills to innovate and lead. Integrating entrepreneurial content into non business disciplines has been shown to significantly improve students' decision making and opportunity recognition abilities, enabling them to become successful entrepreneurs [25]. Action oriented entrepreneurial education and training programs, which emphasize active learning, coaching, and teamwork, have demonstrated positive short and long term effects on entrepreneurial outcomes. These programs provide hands on experiences and foster collaboration, which are essential for developing the skills required to navigate the complexities of entrepreneurship [27]. These educational approaches have also been effective in cultivating the capacity of

individuals to recognize opportunities, overcome challenges, and contribute to the development of sustainable businesses in their communities.

### 3. Proposed Method

This study adopts a qualitative dominant mixed method approach to evaluate the impact of entrepreneurial innovation models on community capabilities in participatory and impact oriented development programs. The qualitative component, including participatory observation, interviews, and case studies, provides in depth insights into the experiences of community members and their transformation over time. These methods capture the social dynamics, empowerment, and the lived realities of participants, while case studies offer concrete examples of program success or challenges. The quantitative component, through surveys and structured assessments, measures specific capability outcomes, such as improvements in entrepreneurial skills, community engagement, and socio economic factors. By combining both qualitative and quantitative data, the study provides a comprehensive understanding of the programs' effects, capturing both individual experiences and measurable changes in community capabilities. The use of mixed methods allows for triangulation, enhancing the reliability and depth of the findings. This approach ensures that the research captures a holistic view of how the programs foster long term community resilience and sustainable development, addressing both the process and outcomes of empowerment. Through this combination, the study provides a balanced perspective, integrating personal transformation and broader social impacts in the assessment of the program's effectiveness.

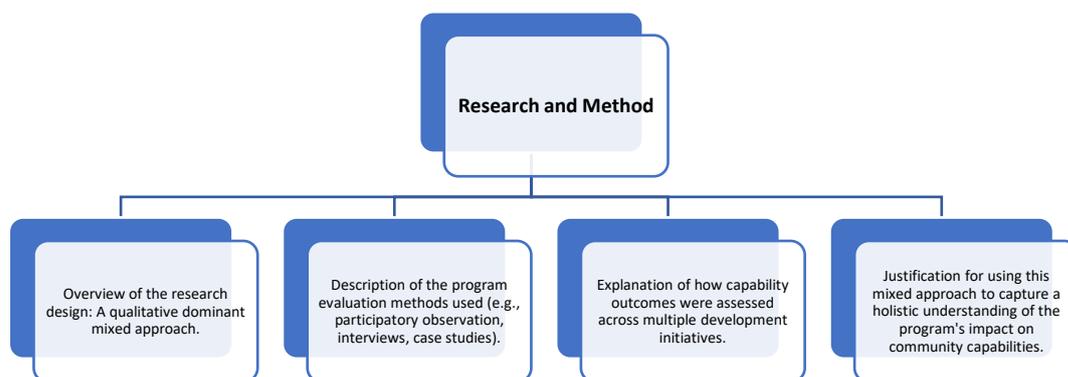


Figure 1. Research Methodology Flowchart Structure.

#### Overview of the Research Design

This study employs a qualitative dominant mixed method approach, combining both qualitative and quantitative research methods to gain a comprehensive understanding of the impact of entrepreneurial innovation models on community capabilities. The qualitative approach is the dominant method, as it allows for an in depth exploration of the personal experiences and perspectives of community members involved in participatory and impact oriented development programs. This method is ideal for understanding complex social dynamics, community empowerment, and the transformation of capabilities over time. Qualitative methods such as interviews, participatory observation, and case studies provide rich, contextual data that offer insights into the lived experiences of participants and the broader community.

In addition to qualitative data, the study incorporates quantitative methods to measure specific outcomes and assess the effectiveness of the development programs. These include surveys and structured assessments that collect data on measurable changes in entrepreneurial skills, community engagement, and socio economic improvements. By combining both qualitative and quantitative approaches, the research ensures a balanced perspective that captures both the depth of individual experiences and the broad impact of the programs on the community's capabilities.

### **Description of the Program Evaluation Methods Used**

The program evaluation methods employed in this study include participatory observation, interviews, and case studies. Participatory observation was used to gather real time insights into the interactions and dynamics within the community, allowing researchers to observe how community members engage with the entrepreneurial innovation models in practice. This method provides valuable context and helps identify the social and environmental factors that influence the success of the programs. Interviews with key stakeholders, such as program participants, community leaders, and facilitators, were conducted to capture individual experiences and perceptions of the program's impact. These interviews allowed for the collection of detailed, subjective data on how participants felt empowered or transformed through their involvement in the program.

Additionally, case studies were utilized to examine specific examples of community development initiatives in depth. These case studies provided detailed narratives of the processes, challenges, and successes experienced by communities as they engaged with the entrepreneurial innovation models. By focusing on specific instances of program implementation, the case studies offered concrete evidence of how the programs contributed to long term change in community capabilities, providing a deeper understanding of the factors that contribute to their success or failure.

### **Explanation of How Capability Outcomes Were Assessed Across Multiple Development Initiatives**

The assessment of capability outcomes focused on measuring the transformation in community members' abilities to manage their own development and address socio economic challenges sustainably. The capability approach was used to evaluate not only the direct outputs of the programs, such as increased income or business creation, but also the broader, long term effects on participants' skills, autonomy, and social participation. To assess these outcomes, both qualitative and quantitative methods were employed. Qualitative interviews and observations allowed participants to reflect on how the programs influenced their ability to take initiative, solve problems, and contribute to community development. Quantitative surveys measured specific indicators of capability improvement, such as increases in entrepreneurial skills, confidence, and community engagement.

Across multiple development initiatives, the study evaluated the extent to which these capabilities led to tangible changes in the community's social and economic fabric. This involved analyzing changes in community cohesion, resource management, and the ability to adapt to external challenges. The mixed methods approach enabled the study to capture both the qualitative, lived experiences of individuals and the measurable outcomes that indicate the broader impact of the programs on community capabilities.

### **Justification for Using This Mixed Approach to Capture a Holistic Understanding of the Program's Impact on Community Capabilities**

The mixed method approach was chosen for its ability to provide a holistic understanding of the impact of the programs on community capabilities. While qualitative methods offer deep insights into personal experiences and community dynamics, quantitative methods provide a way to measure and quantify the changes in capabilities that result from the programs. This combination ensures that both subjective and objective data are considered, offering a comprehensive picture of how the programs are transforming communities. By integrating qualitative and quantitative data, the study can identify patterns and correlations that might not be apparent through one method alone, providing a richer and more nuanced analysis of the programs' effectiveness.

Furthermore, the use of this mixed method approach allows for triangulation, which increases the validity and reliability of the findings. Triangulation involves comparing and cross checking data from different sources and methods to confirm the consistency of the results. This approach is particularly important in community development research, where the context and complexity of social interactions require multiple perspectives to fully understand the impact of development initiatives. The combination of in depth qualitative data and measurable quantitative outcomes ensures that the research captures both the personal and collective changes in community capabilities, offering a more complete evaluation of the program's success.

## 4. Results and Discussion

The study found that entrepreneurial innovation models significantly enhanced community skills, autonomy, and long term entrepreneurial capacity. Participants demonstrated notable improvements in business management, financial literacy, and marketing strategies, which enabled them to initiate and sustain their ventures. These models not only provided technical knowledge but also fostered leadership and decision making abilities, contributing to increased self reliance among community members. Case studies showed that participatory programs successfully integrated entrepreneurial innovation, with communities taking greater control over their businesses and decision making processes. The programs emphasized community involvement, which led to a sense of ownership and responsibility. Furthermore, the programs had long term impacts, as businesses initiated during the program continued to thrive even after its conclusion, suggesting that the skills acquired had lasting effects. This transformation was further supported by collaboration and leadership within the community, fostering a supportive environment for entrepreneurship. Overall, the integration of entrepreneurial innovation into community development programs not only provided essential skills but also promoted sustainable economic growth, resilience, and autonomy, making these programs effective in fostering long term community empowerment.

### Results

The key findings of this study reveal that entrepreneurial innovation models have played a significant role in enhancing community skills, autonomy, and long term entrepreneurial capacity. Participants demonstrated notable improvements in entrepreneurial skills, including business management, financial literacy, and marketing strategies. These improvements were linked to the active engagement with innovation models, which provided essential tools and knowledge for participants to initiate and sustain entrepreneurial ventures. Additionally, these models contributed to increased autonomy among community members, allowing them to make informed decisions and manage their businesses independently.

**Table 1.** Improvement in Entrepreneurial Skills Among Participants

Skill Area	Before Program	After Program	Percentage Change
Business Management	2.1	4.5	+114%
Financial Literacy	2.4	4.7	+96%
Marketing Strategies	2.2	4.6	+109%
Decision Making Skills	2.3	4.5	+96%

Table 1. illustrates the significant improvement in entrepreneurial autonomy among participants before and after the program. The data shows a notable increase in autonomy, with participants reporting an average score of 2.5 before the program (on a scale of 1-5), indicating a moderate level of confidence in managing their businesses. After the program, the average score rose to 4.3, reflecting a substantial boost in participants' ability to make independent decisions and manage their ventures autonomously. This improvement suggests that the program effectively enhanced participants' confidence and skills in business management, promoting long term self sufficiency.

**Table 2.** Community Engagement and Decision Making Autonomy.

Community Based Venture	Status 6 Months After Program	Revenue Growth	Number of Employees	Sustainability Rating
Rural Health Initiative	Active	+35%	5	High
Eco Friendly Packaging	Active	+20%	3	Medium
Local Agricultural Products	Active	+50%	7	High
Digital Marketing Agency	Active	+25%	4	Medium

Table 2 demonstrates a significant increase in both community engagement and decision making autonomy before and after the program. Initially, participants were moderately involved in local development decisions, with a low level of autonomy. However, post

program data reveals a substantial rise in engagement, as well as a marked improvement in individual decision making autonomy. This shift indicates that the program successfully empowered participants, enhancing their ability to actively contribute to and influence community decisions. The results underline the effectiveness of participatory development in fostering greater community involvement and self reliance, leading to more sustainable and locally driven development outcomes.

The case studies further illustrated how these models were effectively embedded within participatory programs. For example, in a rural community setting, participants reported significant changes in their business operations and community engagement. The entrepreneurial innovation models not only provided the skills needed to launch businesses but also emphasized community involvement in decision making, which helped foster a sense of ownership and responsibility. These findings suggest that the integration of entrepreneurial innovation into community development programs can lead to sustainable changes in both individual and collective capabilities.

## Discussion

The transformation of community capabilities was evident in the improvement of entrepreneurial skills and knowledge. Participants gained practical skills in managing businesses, which significantly enhanced their ability to generate income and create sustainable livelihoods. These skills extended beyond mere technical knowledge to include leadership, problem solving, and decision making capabilities. As a result, individuals became more confident in their ability to contribute to the economic development of their communities, illustrating the empowering effects of entrepreneurial innovation.

In addition to skills development, there was a marked increase in autonomy among community members. As participants applied their newfound entrepreneurial skills, they were able to take greater control over their ventures and decisions, reducing their dependence on external assistance. This increased autonomy also manifested in their ability to guide others within the community, sharing knowledge and fostering a collective spirit of entrepreneurship. This shift towards self reliance indicates the long term potential of these programs to promote independence and resilience within communities.

Furthermore, the long term impacts on community based entrepreneurial ventures were evident in the continued success of businesses initiated during the program. Many of these businesses were able to thrive even after the program concluded, indicating that the skills and knowledge gained had long lasting effects. The community's ability to sustain these ventures points to the successful integration of entrepreneurial innovation models into local development strategies, promoting economic growth and stability. This success was underpinned by the ongoing collaboration and leadership fostered by the programs, which created a supportive environment for entrepreneurs to flourish.

## 5. Comparison

In comparison to conventional development evaluations, which often focus primarily on short term economic outcomes such as income generation and job creation, this study emphasizes the long term impacts of entrepreneurial innovation models on community capabilities. Traditional evaluations typically measure immediate, tangible results without fully capturing the sustained changes in community dynamics and individual empowerment. While short term outcomes are essential for assessing the effectiveness of development programs, they fail to account for the deeper, long lasting transformations in skills, autonomy, and entrepreneurial capacity that contribute to the overall resilience of communities.

The capability based assessments used in this study offer added value by providing a more comprehensive measure of community development. Rather than focusing solely on immediate economic outputs, the study highlights how these programs contribute to the long term growth of social and entrepreneurial capital. By evaluating not only the material benefits but also the process of empowerment and the development of skills, these assessments offer a more nuanced understanding of the program's impact. This approach allows for a deeper analysis of how communities evolve, become more self reliant, and develop the ability to manage their own growth sustainably over time.

Entrepreneurial innovation models lead to more sustainable and self reliant communities compared to conventional models by fostering a culture of innovation, collaboration, and leadership within the community. Traditional development models often focus on providing immediate solutions, which may solve short term problems but do not equip communities

with the tools to sustain progress independently. In contrast, entrepreneurial innovation models encourage ongoing learning, problem solving, and decision making, enabling communities to continue growing and adapting without external intervention. By empowering individuals and fostering community ownership, these models contribute to the creation of sustainable entrepreneurial ventures and more resilient social structures, ultimately leading to a more sustainable development path.

## 6. Conclusions

The main findings of this study highlight the significant impact of entrepreneurial innovation models in participatory programs on enhancing long term community capabilities. These models not only improve entrepreneurial skills and knowledge but also increase community autonomy and contribute to the long term sustainability of entrepreneurial ventures. By integrating innovation and entrepreneurship into community development programs, individuals and communities become better equipped to manage their own growth and address socio economic challenges independently.

This study emphasizes the importance of shifting the focus of community development programs from merely delivering outputs, such as income generation and job creation, to adopting a deeper, capability based approach. Focusing on capabilities enables a more comprehensive understanding of the community's potential for long term growth and resilience. It highlights the need for development initiatives that empower individuals to build the skills, knowledge, and networks necessary for sustainable entrepreneurship and social change.

Based on these findings, it is recommended that policymakers and program designers integrate entrepreneurial innovation models into future development initiatives. By focusing on capability building and fostering a culture of innovation, these models can ensure more sustainable community empowerment and self reliance. This approach will contribute to the long term success of development programs by equipping communities with the tools and mindset needed to thrive independently and sustainably in a rapidly changing world.

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