JOURNAL OF COMMUNITY SERVICE

Journal of Community Service:
In Economics, Bussiness, and Islamic Finance

Volume 2, Number 1 Year 2024

E-ISSN: 3026-4774

Fostering Economic Self-Reliance via Asset-Based Community Development (ABCD) in Entrepreneurial Practices

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ABSTRACT

Community economic empowerment through entrepreneurship is essential for achieving inclusive and sustainable development. Despite this, many communities continue to struggle with leveraging local resources effectively and remain reliant on external support. This community service initiative adopts the Asset-Based Community Development (ABCD) approach to enhance entrepreneurial capacities by harnessing local assets. The program involves several key stages: local asset identification, participatory planning, capacity-building workshops, business mentoring, and ongoing monitoring and evaluation. Data were collected through observations, structured interviews, and surveys to assess changes in knowledge, skills, and economic outcomes. Findings indicate substantial improvements in participants' entrepreneurial competencies, strengthened social networks, and increased business resilience, leading to reduced dependence on external aid. The ABCD approach demonstrates strong potential for mobilizing endogenous resources as a foundation for self-reliant and sustainable community economic development. This initiative offers a replicable model for supporting agribusiness development and holistic community empowerment.

ARTICLE INFORMATION

History of article:
Received:
15 July 2024
Revised:
18 August 2024
Accepted:
10 September 2024
Published:
31 December 2024

Keywords:
Economic Empowerment, Asset-Based Community Development, Entrepreneurship, Community Capacity, Local Asset Development

How to Cite: Asni, Safitri, Fitriani, L., Hidayatullah, S., Mansur, N., & Zainuddin, M. A. (2024). Fostering Economic Self-Reliance via Asset-Based Community Development (ABCD) in Entrepreneurial Practices. *Journal of Community Service: In Economics, Bussiness, and Islamic Finance*, *2*(1),1–9. https://doi.org/10.24239/jcsebif.v2i1.3930.1-9.

INTRODUCTION

Community economic empowerment through entrepreneurship development is key to achieving inclusive and competitive sustainable development. In many communities, especially those rich in local resources, challenges remain in optimizing the utilization of these assets to drive independent economic growth. Many communities still depend on external aid or outside resources, making them vulnerable to macroeconomic fluctuations and less capable of developing their internal capacities (Ahmad Haekal et al., 2025; Mathie & Cunningham, 2003). This situation highlights the urgent need to adopt an empowerment approach that addresses immediate needs and strengthens the assets and potential already present within the community.

Gap analysis in community empowerment practices reveals that most existing programs are still top-down and lack active community participation in planning, implementation, and evaluation. Consequently, interventions are often less relevant to the local context and fail to produce significant long-term impacts (Garcia & Ustymchuk, 2020). Moreover, approaches that focus primarily on community deficiencies tend to foster dependency and overlook the potential that could serve as the principal capital for local economic development(Syamsu et al., 2022, 2024). Therefore, a new paradigm is needed that shifts the focus from needs to assets and integrates research and action in a participatory manner to generate adaptive and sustainable solutions.

The Asset-Based Community Development (ABCD) approach emerges as an innovative and effective empowerment model (Ahmad Haekal et al., 2025; Aisya et al., 2023; Ashta & Parekh, 2023; Fisher et al., 2009). ABCD emphasizes the identification, development, and utilization of local assets whether human resources, social networks, institutions, or physical resources as the foundational elements for building entrepreneurial capacity and economic independence within communities (Mathie & Cunningham, 2003; Qiaoyu et al., 2024). By leveraging existing social capital and community networks, ABCD fosters an inclusive and sustainable entrepreneurial ecosystem where community members actively serve as agents of change and drivers of local economic development (Dewi Salmita, 2023; Mansur et al., 2024; Oktaviany et al., 2024; Platzek & Pretorius, 2020). Empirical studies have demonstrated ABCD's effectiveness in enhancing entrepreneurial capacity through mentoring, training, and collaboration among local business actors, ultimately leading to increased income and improved community welfare (Suhono et al., 2021)(Suhono et al., 2021; Laila et al., 2022).

Nonetheless, applying ABCD in entrepreneurial contexts faces challenges, particularly in adapting methods to communities' social and cultural characteristics and specific needs(Sofyan et al., 2023; Sousa-Filho et al., 2023; Syamsu et al., 2024; Zhang et al., 2023). These limitations create gaps in literature and practice, necessitating research-based interventions that integrate ABCD principles with contextual and participatory entrepreneurial approaches. Furthermore, strengthening local capacity through active community involvement in asset and entrepreneurship development is a critical success factor that has not been extensively explored in previous community service programs.

Based on this background and literature review, this community service program aims to empower communities through the Asset-Based Community Development (ABCD) approach to enhance entrepreneurial capacity. The program encourages a paradigm shift from dependency to economic independence by optimally utilizing local potentials and resources. Through participatory training, mentoring, and collaboration, communities are expected to develop relevant and sustainable entrepreneurial skills while strengthening social networks and community capital, which serve as the main foundations for local economic development. Thus, this program provides technical solutions and builds sustainable social and economic capacities, contributing significantly to the holistic development of agribusiness and community economies.

METHODS

This community service program employs the Asset-Based Community Development (ABCD) and Community-Based Research (CBR) approaches to address issues of economic dependency and suboptimal utilization of local assets in the target community. The ABCD approach serves as the theoretical foundation, focusing on identifying, mobilizing, and developing local assets both human and non-human resources to build entrepreneurial capacity and promote economic independence (Mathie & Cunningham, 2003; Qiaoyu et al., 2024).

Meanwhile, the CBR approach ensures active involvement of community members throughout the program implementation, integrating research and action to ensure interventions align with local needs and contexts (Garcia & Ustymchuk, 2020). The program's target subjects are local community members, particularly prospective and existing entrepreneurs who have potential but face challenges accessing resources, knowledge, and networks. Data collection was conducted through primary and secondary sources. Primary data were obtained from participatory observation, surveys, focus group discussions (FGD), and in-depth interviews during training and mentoring sessions. Secondary data included community profiles, economic reports, and previous relevant research on entrepreneurship and local asset development.

The collected data comprised qualitative and quantitative types. Qualitative data were thematically analyzed to help us understand community perceptions, challenges, and opportunities related to entrepreneurship. Quantitative data were analyzed descriptively and comparatively to measure changes in knowledge, skills, and economic indicators before and after program implementation.

Figure 1. Flowchart of the Community Service Program Implementation

The diagram shows a sequential process with arrows connecting each stage, facilitating an understanding of the program implementation phases. The program implementation method flow is described as follows:

1. Local Asset Identification: Mapping and inventorying community resources, skills, and networks as the basis for program design ((Qiaoyu et al., 2024).
2. Participatory Planning: Involving community members in activity planning to ensure relevance and enhance ownership (Garcia & Ustymchuk, 2020).
3. Capacity Building Training: Providing training on entrepreneurial skills, financial management, marketing, and digital technology utilization tailored to the local context.
4. Mentoring and Coaching: Offering ongoing support to participants to apply skills and develop viable business models (Kristiawan et al., 2021).
5. Monitoring and Evaluation: Collecting and analyzing data to assess program effectiveness in improving entrepreneurial capacity and economic outcomes.
6. Feedback and Continuous Improvement: Using evaluation results to refine program activities and maintain community engagement.

This methodological framework ensures that the program is scientifically grounded, participatory, and adaptive, maximizing the impact of community economic empowerment and sustainable entrepreneurship development.

RESULTS AND DISCUSSION

Implementing the community service program using the Asset-Based Community Development (ABCD) approach has demonstrated highly favorable results in enhancing entrepreneurial capacity and economic independence within the target community. The ABCD approach emphasizes the identification, development, and utilization of local assets that have been underutilized, including human resources, institutions, and physical resources (Mathie & Cunningham, 2003); (Qiaoyu et al., 2024). This approach positions the community as the primary agent of change, fostering an inclusive and sustainable entrepreneurial ecosystem (Platzek & Pretorius, 2020).

Capacity Building and Entrepreneurial Knowledge

One of the main achievements of this program is the significant increase in entrepreneurial capacity and knowledge among participants. Through participatory training, participants deeply understood entrepreneurship concepts, business management, marketing, and utilizing local assets as the primary capital in business development. Qualitative data from interviews and observations indicated increased motivation and confidence among participants in developing businesses based on local potential. Quantitative data also confirmed significant entrepreneurial knowledge and skills improvements following training and mentoring (Garcia & Ustymchuk, 2020).

This training focused on technical aspects and strengthened social capital through the development of networks and collaboration among local business actors. Strengthening social capital is a crucial foundation for building community economic independence, consistent with (Mathie & Cunningham, 2003). Participants learned to manage resources effectively and innovatively, creating sustainable added value. Participants attended a training session discussing business management and utilization of local assets.

Active Participation and Participatory Planning

The participatory planning process involving active community members was key to the program's success. Focus group discussions (FGD) allowed participants to express aspirations, challenges, and ideas in business development. This approach increased participants' sense of ownership and commitment to the program, making interventions more relevant and aligned with local needs (Garcia & Ustymchuk, 2020).

Active participation also strengthened social networks and community capital, important aspects of the ABCD theory for building economic independence (Platzek & Pretorius, 2020). Through dialogue and collaboration, the community identified overlooked assets, such as traditional skills, local natural resources, and strong social networks, which were then integrated into the entrepreneurial model. Community members actively discuss participatory planning for business development.

Economic Impact and Business Sustainability

Economic evaluations showed that businesses developed by participants began to show signs of sustainability. Income gradually increased, and dependence on external assistance significantly decreased. This indicates that asset-based empowerment can create a resilient entrepreneurial ecosystem adaptable to macroeconomic changes (Mathie & Cunningham, 2003). Strengthening social capital and community networks provided important social support for business actors facing challenges. Continuous mentoring and coaching were key to effectively implementing the knowledge and skills gained during training. The mentoring team provided guidance and solutions to business actors' challenges, allowing business models to be continuously refined and adapted to market dynamics and local needs (Platzek & Pretorius, 2020). This mentoring also helped participants manage business risks and seize market opportunities.

Mentoring team providing direct guidance to business actors in developing business models.

Challenges and Adaptation Strategies

The program faced challenges, particularly in adapting the ABCD method to local socio-cultural characteristics. Some participants struggled to integrate modern entrepreneurship concepts with long-standing traditional practices. This requires a more contextual and culturally sensitive approach to ensure interventions are accepted and optimally adopted (Qiaoyu et al., 2024).

Literature and best practices in ABCD emphasize the importance of building strong relationships with community leaders and local authorities to enhance program acceptance (ABCD Institute, 2024). Approaches that respect local values and traditions and involve the community in decision-making are key to success. Continuous feedback mechanisms are also important to adjust the program to the community's social and economic dynamics (Garcia & Ustymchuk, 2020).

Additionally, limited access to capital and technology remains a barrier that needs to be addressed. Strengthening networks with microfinance institutions, local governments, and technology providers is recommended to accelerate business development. Policies and mentoring programs responsive to community needs must support sustainable ABCD approaches.

Theoretical and Practical Implications

The program’s results theoretically reinforce empirical evidence that the ABCD approach to community entrepreneurship development produces sustainable positive impacts, both socially and economically. This model builds holistic social and economic capacities essential for inclusive and sustainable development (Platzek & Pretorius, 2020); (Laila et al., 2022). This approach can be replicated in other communities with contextual adjustments. Strengthening social capital, developing networks, and utilizing local assets are key strategies to promote economic independence and business sustainability. Asset-based economic empowerment improves individual welfare while strengthening the social and economic structures of the community, creating a solid foundation for sustainable development.

Figure 2. Early Socialization of Saving
Source: Author's Documentation 2024

CONCLUSIONS

The community service program using the Asset-Based Community Development (ABCD) approach has successfully enhanced the entrepreneurial capacity and economic independence of the target community significantly. This approach is effective in identifying, developing, and utilizing local assets that have been underutilized, enabling the community to act as the main agent of inclusive and sustainable economic change. Participatory training, joint planning, and continuous mentoring have proven to increase the knowledge, skills, and motivation of local entrepreneurs.

However, the program faces several limitations, particularly in adapting the ABCD method to the diverse socio-cultural characteristics of the local community. The difficulty in integrating modern entrepreneurship concepts with traditional practices requires a more contextual and culturally sensitive approach. Additionally, limited access to capital and technology remains a barrier that needs to be addressed to accelerate business development.

Based on these findings, it is recommended that future community economic empowerment programs prioritize adaptive and responsive approaches to local socio-cultural dynamics, with strengthened networks and broader access to resources. Further research is also needed to develop more contextual and sustainable empowerment models, so that the positive impacts can be felt more widely and deeply.

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