Empowering Rural Youth Groups through Islamic Social Enterprise (ISE) in Indonesia

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Abstract

Indonesia has a bonus demography challenge. For this reason, youth development should be prioritized by considering the unproductive migration of rural youth groups. Islamic social enterprise (ISE) offers a strategic approach to empowering the youth. This study investigated youth empowerment through vocational training programs provided by two ISE organizations. This is a descriptive qualitative study. Online interviews were carried out from October 2021 to June 2022 involving eight ISE program participants. The research finding shows that ISE supported intellectual, psychological, spiritual, and social skill development. The results also suggest comprehensive support from the government, private sectors, and local communities to ensure the youth groups can be change agents for their villages.

Keywords: change agent, community development, social enterprise, youth empowerment

Introduction

Indonesia's population is predicted to continuously increase and experience a bonus demography in 2020-2035. This situation will be an opportunity if existing human capital can maximize the potential sources. Yet, many unproductive populations will become a burden and emerge with social problems. Focusing the development strategy on youth groups is essential since the number of unemployed in February 2022 reached 8.42 million people, of which over 29% or dominantly were youths aged 15 to 29 years (Indonesia Central Bureau of Statistics, 2022). Unemployment in Indonesia can be attributed to various factors, including the country’s significant population size, the prevailing instability caused by the pandemic, inflationary pressures, inadequate education and skill levels, limited access to information, and a scarcity of job opportunities (Yusup & Jannah, 2022; Fitria, Suriani, & Sartiyah, 2022).

The issue of unemployment poses significant social and economic challenges for Indonesia’s future. Particularly concerning is the impact on youth unemployment, which has been linked to severe poverty, crime rates, and delinquency (Feriyanto, El Aiyubbi, & Nurdany, 2020; Effendi et al., 2021).

Several studies showed that Indonesian rural youths are more likely to migrate from their origin to work in manufacturing and service sectors in urban areas than developing their villages (Ngadi et al., 2023; Wilonoyudho et al., 2017). In fact, the migration from rural regions brings further consequences, including the deskilling of rural youth, downgrading the rural life, the chronic government neglect to put concern on rural infrastructure, and lack of
opportunity to develop hometown (White, 2012; Malamassam, 2022).

Addressing these challenges requires more than just promoting formal education. The International Labour Organization (ILO, 2017) has highlighted that education alone cannot effectively solve the issue of unemployment, as the quality of skills holds greater significance in securing employment opportunities. Consequently, to bridge this gap, adopting a social enterprise approach emerges as a viable alternative to harness the untapped potential of rural communities, specifically by empowering youth to enhance their skills and foster deeper engagement within their local communities. Also, social enterprise is perceived as an innovative activity to create social and economic value in profit and non-profit sectors. Social enterprise is a strategic mechanism to provide a self-sustaining welfare model to fill the gap that the government and private sectors failed in youth empowerment by supporting them with employment, education, and training opportunity (Chandra & Liang, 2017; Tyrell et al., 2017).

Social enterprise development varies depending on the society’s characteristics and values. Several studies show that social enterprise practice based on faith has been developed rapidly worldwide. The practice of faith-based social enterprise has drawn scholars’ interest to discuss its development process (Masae, 2014; Borquist, de Bruin, 2016; Hati & Indraswari, 2022), the institutional and management system (Zhao & Lounsbury, 2016; Beech, 2018), and social impacts (Oham, 2019; Ramani, SadreGhazi, & Gupta, 2017).

Given Indonesia’s notable proportion of rural inhabitants, a substantial youth population, and the predominant Islamic faith, applying the Islamic social enterprise (ISE) approach in the country holds considerable promise. Hati and Idris (2014) assert that the development of social enterprises in Indonesia has been significantly influenced by the Islamic values deeply ingrained within the beliefs of a significant portion of the Muslim population.

Reflecting on previous studies, ISE organizations have contributed to various productive social programs through group and community work for youth rehabilitation (Wibhawa, et al., 2019; Nirzalin & Feбриandi, 2020), and job provision for rural young people (Nilan, Parker, Bennett, & Robinson, 2011). Hence, ISE is proposed as an effective approach to stimulating the youths to create new job opportunities and contribute to their local communities. By providing a vocational training program, ISE develops new skills, knowledge, and values to enhance the youth’s personal characteristics in becoming social entrepreneurs (Fauziah & Kassim, 2022; Muhamed, et al., 2016). Therefore, to find the contribution of ISE to rural youth groups in Indonesia, this study describes youth empowerment in the process of vocational training programs. Specifically, the study identifies the perspectives and experiences of youth representatives participating in vocational program programs of two ISE organizations in Indonesia.

Theoretical Framework

Youth Group in Rural Community

The term “youth” can be defined as individuals within the age range of 15 to 24 years, as stated by the UN Secretariat, UNESCO, and ILO UNDESA (n.d.). However, it is essential to note that the conceptualization of youth extends beyond mere age categorization, encompassing personal and social development. In this regard, Tsang, Hui, and Law (2012) posit that young people should strive to achieve a positive identity both at an individual and social level. This entails nurturing self-esteem, fostering exploratory endeavors and commitments, and mitigating self-discrepancies arising from the dynamic challenges inherent in their developmental processes.

On the contrary, the disadvantaged conditions through rural youth’s deskilling limit their access and opportunity to education, professional experience, and personal-social skills. Moreover, youth groups often face poverty (White, 2012; Atmafu, Ohuo, & Zeitlyn, 2014). The limited access and opportunity cause them to perceive powerlessness, meaninglessness, namelessness, and social isolation, forming feelings of social alienation feelings (Keneber, 2019). Also, youth tend to perceive the uneasy and long period transition from school leaving to work due to insufficient job availability. Even if the young people are interested in staying in their village, especially in farming, they are confronted by the scarcity of land. Besides, they have fewer opportunities and trust from the older generations due to the tendency of parents to encourage their children to find employment.
outside of agriculture (White, 2019). Problem situation in rural areas often brings the side effect, i.e., migration (Kosec, et al., 2018; Atnafu, Oucho, & Zeitlyn, 2014; Brown, 2021).

Despite limited resources in their rural communities that inhibit them from optimizing personal and social development, on the other hand, they should be seen as human capital, not only as the object of an action. Furthermore, Setiawan, Nugraha, & Rasiska (2019) discuss a case study in a rural community in Indonesia, that the most influencing factor to young participation in rural farming practices is the youth characteristic related to adaptive, curious, and risk-taking behavior. Besides, the external factors include information, institutions, technology, socio-culture, environment, market support, and policy. Also, Muljono, Lubis, & Mulyandari (2021) explore fifty publications related to strategies to encourage youth participation in their communities. The contributing factors for youth to active involvement are related personal characteristics, information support factors, learning process factors, environmental influence factors, and government policy.

Vocational Training Program for Youth Empowerment

In order to foster the development of rural youths, it is crucial to implement empowerment initiatives that enhance their inherent assets, thereby positively impacting their personal and social environments. In this regard, the utilization of vocational training programs through social enterprise activities emerges as a promising approach for engaging youths in community development. Such vocational training programs are believed to be pivotal in facilitating a successful transition into employment, as they emphasize the cognitive and practical aspects of skill development (Moodie, 2002; Zimmerman et al., 2013). Youth group empowerment includes enhancing self-confidence and capability to three key themes: (1) increasing their family support by obtaining the recognition of ‘I can,’ (2) enhancing personal initiative and motivation, goal setting, and management skills, (3) building an entrepreneurial support network to develop basic entrepreneurial skills.

Consequently, the development of youths’ skills not only provides them with opportunities but also grants them access to entrepreneurial networks through various approaches such as coordination, promotion, or sponsorship (Rixon, Maritz, & Fisher, 2017). These approaches align with the principles of positive youth development within the community, encompassing multiple dimensions. Firstly, intellectual development entails the acquisition of essential vocational skills, fostering a rational and critical mindset, and honing decision-making abilities. Secondly, psychological and emotional development includes nurturing emotional resilience, coping skills, self-confidence, positive achievement motivation, optimism, and a sense of spiritual purpose. Lastly, social development emphasizes establishing positive relationships within the social environment, integrating into social networks, developing an attachment to institutions, and fostering a commitment to civic engagement (Eccles & Gootman, 2002; Zimmerman, 2013).

Social Enterprise (SE) and Islamic Social Enterprise (ISE)

Multiple studies have demonstrated that social enterprise (SE) significantly empowers the youth group to achieve productive employment (Winful et al., 2022; Cook & Willetts, 2019; Ishak et al., 2016). SE includes the activities and organizations proposing social and economic goals to improve the community’s quality of life (Cho, Kim, & Mor Barak, 2017; Stevens, Moray, & Bruneel, 2015). In personal development, Rixon, Maritz, & Fisher (2017) show that social enterprise programs may increase young people’s confidence, obtain family support, access personal initiative and learning, and strengthen their support system networks. SE as a mechanism of youth empowerment also can be seen through the roles in enhancing social capacity empowerment and entrepreneurial capacity empowerment by building social awareness, meaningful and active participation, social connections, building entrepreneurial skills, and power-sharing between youth and more senior groups (Chandra & Liang, 2017).

Aside from focusing on social and economic missions, the religious mission becomes critical. Religion is considered a primary force in social development since it encourages moral imperatives and social motives to help people collectively (Ataide 2012; Martin, Chau, & Patel, 2007). Faith-based social enterprise spirit is aligned with the perception that God
loves those doing good for society (Salarzehi, et al., 2010). Islam becomes one of the religious values influencing the social and economic activities in several countries when SE itself is inadequate from Islamic perspective (Kamaruddin & MdAuzair, 2019). Then ISE is growing continuously in society. For instance, in a community in Thailand, where Muslims are the second-highest population, the ISE approach also effectively developed from charity into a social enterprise approach (Masae, 2014). In Indonesia, ISE was developed through Islamic organizations providing goods, education, and health services (Pratono, Pramudija, & Sutanti, 2019; Fauziah & Kassim, 2022).

According to Machmud & Hidayat (2020), with nature of Islamic may encourage people to become entrepreneurs by underpinning the sharia command. Also, previous studies revealed that ISE could contribute to enlarging job opportunities, reducing the poverty gap, and providing community benefits (Fahmi, 2022; Fauziah & Kassim, 2022). In terms of operating ISE, Muhamed, Kamaruddin, & Nasrudin (2018) there are three essential concepts, including al-falah (achieving success in this world and hereafter), maslahah (public interest, and maqasid shariah (objectives toward Islamic value) as the foundation of a social entrepreneur in applicating the mission. Those concepts finally motivate social entrepreneurs to develop their personal characteristics and enthusiasm to contribute to society (Sarif, Sarwar, & Ismail, 2013).

Methods
This study utilized a qualitative research method. Qualitative research is proposed to gather people’s experiences, interactions, and symbolic and covert behavior, such as individuals’ or society’s beliefs, perceptions, and values (Neuman, 2014). Hence, this study captures rural youth group empowerment through vocational training programs in two ISE organizations operated in Indonesia. Two organizations were selected considering the same characteristics of targeting similar goals for empowering rural youth groups and providing vocational training programs in Islamic-based value entrepreneurship. Also, these organizations develop the program to target participants across Indonesia. Therefore, informants from these two organizations can figure out the part of Indonesian youths from different regions in Indonesia.

The first organization, BR, was an ISE conducting a vocational training program for 320 youth participants from diverse rural communities in Indonesia. This organization completed a comprehensive rural community development program, including farming and fisheries empowerment. The second organization, MA, was an ISE focusing on culinary and eco-tourism training for 143 participants. Four informants represented each organization during data collection. In sum, this study involved eight informants selected by purposive sampling by considering the representation of gender and region diversity. Also, this study required informants that had participated in the program for at least six months to obtain their objective perceptions and experiences. The researcher’s decision was also aligned with Yin (2016), highlighting that purposive sampling proposes to select the most relevant and plentiful data for obtaining rich information.

Data was collected through online interviews conducted from October 2021 to June 2022, with the informed consent of all participants. The data analysis followed an inductive approach, employing thematic analysis to construct the findings (Yin, 2016). To assist the coding process, Mind-Manager software was utilized for data categorization. In general, this study identified two primary themes about youth empowerment, namely youths’ personal development and social development. To enhance the validity of the findings, data triangulation was employed. Data triangulation, which involves gathering information from multiple sources, validated the research findings (Patton, 2002, as cited in Yin, 2016).

Result
This section presents the study’s findings, which involved data collection from two Islamic Social Enterprise (ISE) organizations in Indonesia, namely BR, and MA. Both organizations share a common objective of utilizing zakah (Islamic charitable giving) and donations to address rural poverty alleviation. By expanding their activities beyond charity to empower local communities, they aimed to maximize their impact. BR initiated a vocational training program in 2002, targeting underprivileged rural youths in West
Java. On the other hand, MA began its program in 2015, focusing on East Java. Presently, these ISE organizations have reached numerous rural youth groups across different regions in Indonesia. Table 1 provides an overview of the characteristics of the informants involved in this study. The informants, ranging from 17 to 24 years old, included three females. They had all participated in vocational training programs for at least nine months. The informants were selected from various regions, including Sumatra, Java, Sulawesi, Kalimantan, and Bali, representing diverse youth groups in Indonesia.

Based on the categorization of data, rural youth empowerment in ISE can be explained into three themes, (1) intellectual development; (2) psychological and emotional development; and (3) social development.

**Intellectual Development**

Participating in vocational training programs through ISE allowed the participants to learn new knowledge and skills, especially related to entrepreneurial sectors. Participants of the MA learned business production, management, and leadership in the culinary and eco-tourism sectors. They were also experienced through class and field learning processes.

> “Actually, I was an individualistic person. But nowadays, I like working in a team. I was motivated to undertake it through in class and fieldwork.” (Mu, 22 y.o, July 19, 2022)

When asked about what benefits they got through the ISE, some of them mentioned that they learned to be disciplined, persistent, responsible, and teamwork with proper manners. Also, youth participants were trained to be innovative and creative in solving social problems. These attitudes strengthen their competence to propose a new business concept.

> “For being an entrepreneur, we should be creative person. We have to see what are the new chances to develop our business, in aimed to deliver benefit for society. When we created the Eco-Tourism program, for instance. So we recognized potential sources, such as mother groups to support the catering and café business and natural resources like wood and bamboo.” (Do, 19 y.o, May 2, 2022)

> “I had the chance to experience planting rice last week, and indeed, by using our skills, we were able to develop ourselves..” (Ti, 24 y.o, June 14, 2022)

The intellectual development in increasing knowledge and skills was finally perceived as a sufficient resource to enhance a positive self-concept about their ability to have and to do something for society.

**Psychological and Spiritual Development**

The vocational training programs supported the mental health of youth. Since the participants obtained social support from trainers, friends, family, and neighbours, they survived any fear and anxiety. Before participating in the vocational training program, they often experienced anxiety about their future because of their limited competence to access job opportunities. Thus, they increased their self-confidence by perceiving themselves as important to society. Frequently mentioned that most youths had positive value for improving their village as the change agent.

> “Joining this program makes my confidence has grown. I believe I can do something better"
for my family and my neighbourhood.” (Za, 21 y.o, June 11, 2022)

“During the learning process, we always develop our belief that we are chosen as the change agent for society. We were born in village, and we have the responsibility to develop our hometown.” (Ke, 22 y.o, April 8, 2022)

ISE underpinned the Islamic value as the primary aspect of enhancing the youth empowerment program. The participants referred to Al Qur’an and hadith during their learning process. They learned why, how, and what they should act with Islamic guidance. Through this value, the participants believed that they were doing good in aiming to conduct God’s command as the action of *dakwah* and would give consequences in later life.

“We use this way as dakwah mission. We must obey God’s commands as described in the Al Qur’an and hadith.” (Se, 23 y.o, Dec 2, 2021)

“I believe that doing good deeds will get us into heaven afterlife.” (Li, 17 y.o, Oct 28, 2021)

Sharing God’s command was also considered the responsibility for doing good things and sharing benefits to society and the environment. Consequently, youth groups believed this program was the bridge to deliver the beyond impacts.

“*In this program, we learned about Prophet Mohammad’s hadith that we have the responsibility to share and do good things for our environment.*” (Na, 19 y.o, Feb 4, 2022)

“Allah asked us to deliver positive impacts. We can do it in various ways, and we choose this way through education, skill training. Learning Islam would not only propose to be a religious leader but also as a social change agent for our community.” (Ke, 22 y.o, April 8, 2022)

**Social Skill Development: Building Social Awareness and Social Networks**

In the learning process, the youth groups learned how to increase their listening and empathy skills to understand social situations by underlying Islamic values. In this term, they were encouraged to recognize community’s characteristics and problems and utilize the rural communities’ potential resources. Furthermore, they try to design a strategic plan to propose problem-solving for rural communities.

Empathy skill was one of the essential competencies for being social entrepreneurs since they aimed to achieve economic and social benefits in rural communities. Therefore, they were trained to have social awareness to understand society.

“We are urged to observe and pay attention to our neighborhood. We must be considerate of the circumstances around us, as Islam teaches. That is how we develop our empathy.” (Se, 23 y.o, December 2, 2021).

“We are taught to attentively listen to others during the assessment process and engage the community in discussion.” (Mu, 22 y.o, July 19, 2022)

Moreover, the participants were encouraged to engage with various inspiring resources, such as the local community, social enterprise experts, government institutions, and universities. This opportunity enabled them to expand their networks and establish connections. Through social networks, they were able to gain new insights, perspectives, and ideas from others. Additionally, social networks were fostered by visiting other communities and organizations to share experiences and knowledge with one another. They developed *silaturahmi* activity from these activities to develop friendship and kinship as Al Qur’an and hadith commanded.

“We develop the ability to absorb and recognize various perspectives from others. Similar to how we gain new information, inspiration, and ideas from trainers, professional entrepreneurs, and local villagers. They occasionally provide me with suggestions.” (Na, 19 y.o, February 4, 2022).

The empowerment of youth groups through ISE has motivated them to gain new perspectives for their future. Furthermore, the vocational training program offered by ISE has stimulated a positive side effect, reinforcing family cohesion and mitigating migration. During the interviews, all informants expressed their decision to stay and commit to the development of their villages.

“Actually, I intended to move to Bandung like my brothers did. he moved there and built
family there. But now that I’ve made the decision to stay in my village. My parents were pleased with it, they also support decision.” (Ke, 22 y.o, April 8, 2022).

Discussion
This research describes rural youth empowerment through vocational training programs held by two ISE organizations in Indonesia. The finding captures that ISE affected the youths to obtain new perspectives for their future. Based on the essential concepts by Machmud & Hidayat (2020), youth empowerment through ISE fulfilled the al-falah by considering success in current and later life. The al-falah concept was presented by youth groups that perceive God’s command as a responsibility. Through ISE, youth groups also believed that maslahah concept must be applied by sharing the benefit for the larger society and environment. Then, the maqasid shariah is a principal value from Islam’s perspective. Those perceived concepts motivated youths to improve their personal competencies, as aligned with Sarif, Sarwar, & Ismail (2013).

The study identifies three main themes of positive youth group empowerment through ISE that support previous studies (Eccles & Gootman, 2002; Zimmermann, 2013). Those three mains included intellectual, psychological, and spiritual development and social skill development, first, regarding intellectual development. As the main agenda, the youth’s competencies were increased in terms of entrepreneurial knowledge and skills. The youth groups obtained the opportunity to learn and advance the technology, job, and leadership skills to support their career and plans in line with previous studies (O’Donnell, Tan, Kirkner, 2012; Bell & Fuller, 2015; Chandra & Liang, 2017). As a result, the youth groups gained experiences in learning professional work ethic, teamwork, innovative and creative thinking, and rational problem-solving skills.

By strengthening their capacity, the youth groups established their self-concept. Similar to other studies, SE may increase the youth’s confidence toward new insights and hope for the future (Tyrrell, 2017; Ferguson & Islam, 2008). For this reason, ISE impacted youth groups’ psychological and spiritual development as the second empowerment. The essential concern is related to spiritual drives to establish a positive value that they have responsibility and ability as the change agent for their village. This finding is consistent with other studies related to the effort on youth empowerment, which mentioned that spirituality played a critical role in developing the youth’s personality and the larger society (Roese, et al., 2008; Rixon, Maritz, Fisher, 2017; Eccles & Gootman, 2002 in Perkins, 2009). Islamic values boost the spirit to drive youth to do good deeds, consistent with previous studies (Mulyaningsih & Ramadani, 2017).

Third, ISE contributed to youth group social skill development. The youths developed social awareness through empathy and listening skills to social problems. Some previous studies also discussed social enterprise’s impact on empowering the youth as active citizens in a community in building social awareness, communication skills, and social networks (Chandra & Liang, 2017; O’Donnell, Tan, Kirkner, 2012). However, the finding regarding the connection to Islamic value in the learning process of youth groups is a unique input that is limited to discussion. Islamic value also encourages people to connect and develop networks. In Indonesia, it is called as silaturahmi. The idea of silaturahmi is derived from what Allah and the Prophet Muhammad said about maintaining ties with family or kin (Seise, 2020). However, the application of silaturahmi developed, and in this practice, ISE optimized it to obtain opportunities and resources.

In addition, the other crucial aspect is related to the ability of the youth to strengthen their family cohesion due to the intention of respecting the parents as God’s command. Involving in the faith-based social enterprise activity, youth participants gained new insights about their future perspectives. Previously, they only had the perspective about the unluckiness of being the villagers. This perspective drove the rural youth groups to migrate to urban areas and leave their family. However, this was changed into a new perspective such that they have to follow God’s command to do good things and create the benefit for their community. This perspective builds the responsibility of the youth to participate in their rural community development. The summary of how ISE empowered youth groups in supporting intellectual, psychological, spiritual, and social skill development can be seen in Figure 2.
Conclusion

The study revealed that ISE is proposed as a strategic approach to overcome the unproductive migration of rural youth groups to urban areas in the middle of job scarcity. Through appropriate efforts and strategies, ISE in Indonesia has become one of the means to enhance rural youth development by integrating social action to drive social change, entrepreneurship-driven, and religious missions to boost the spirit and motivation of youths.

The empowerment of rural youth groups encompasses the development of intellectual, psychological, spiritual, and social skills. Intellectual development is rooted in Islamic values, which enhance knowledge and skills during the learning process. Additionally, youth groups perceive social support as a valuable resource that contributes to the establishment of a positive self-concept and self-confidence. Their perception of God’s command serves as a primary motivation to bring about beneficial changes within their communities. The intellectual, psychological, and spiritual developments in youth groups further strengthen their ability to adopt new social skills. They are encouraged to cultivate social awareness and establish social networks by adhering to the three core concepts of ISE. Beyond personal growth, ISE instills a transformative perspective in youth groups, positioning them as agents of change within rural communities. Therefore, comprehensive efforts from the government, private sectors, and local communities are necessary to impact youth groups and their respective villages significantly. It is crucial to facilitate the positive personal changes experienced by youth groups even after they have completed the vocational training program. This facilitation should involve support from their families, communities, and government. These positive supports are essential in ensuring that youth groups can effectively practice as change agents, thereby improving the quality of life within rural communities.

This study is limited regarding the small number of informants recruited from two ISE organizations in Indonesia. It makes the findings difficult to generalize and measure the significance. Also, this study did not capture the representatives of ISE management. Therefore, this study suggests further research in a more comprehensive framework that includes ISE’s policy support and management targeting youth group empowerment.
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