



## Empowering the Marginalized: Characteristics of Successful Asnaf Social Entrepreneurs in Malaysia

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### ABSTRACT

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This study explores the key characteristics of successful social entrepreneurs among the Asnaf community in Malaysia, focusing on how they overcome socio-economic challenges to create impactful ventures. The research adopts a qualitative approach, reviewing existing literature on social entrepreneurship, Islamic values, and the role of government and zakat institutions in supporting marginalized groups. The findings highlight five critical traits of successful Asnaf social entrepreneurs: visionary leadership, resilience, resourcefulness, community-centered focus, and ethical commitment. These entrepreneurs often prioritize social value over profit, reinvesting earnings into community development initiatives. Institutional support, including financial aid, training, and mentorship, plays a crucial role in fostering the success of these ventures. The study concludes that social entrepreneurship offers a sustainable path for empowering the Asnaf community, contributing to both individual empowerment and broader socio-economic development in Malaysia.

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## **1. Introduction**

Social entrepreneurship has gained significant traction globally as a means to address social issues while fostering challenges and combining business insight. In Malaysia, the concept of social entrepreneurship among Asnaf has gained significant attention. Due to their financial constraints, Asnaf refer to individuals eligible for zakat (charitable donations in Islam). By empowering Asnaf groups, social entrepreneurship is a tool for poverty alleviation and sustainable economic development.

Asnaf individuals often face numerous challenges, including limited access to education, financial constraints, and social stigma. Despite these obstacles, many Asnaf entrepreneurs have successfully established social enterprises that not only improve their living standards but also uplift their communities. These enterprises often address critical gaps in areas such as education, healthcare, and job creation, contributing to the overall socio-economic development of the nation [1, 21].

The success of these ventures is largely attributed to specific entrepreneurial traits and the support provided by government agencies, zakat institutions, and other stakeholders. However, the characteristics that enable Asnaf social entrepreneurs to overcome barriers and achieve sustainable success remain underexplored. Understanding these traits is essential to designing policies and programs that can further enhance the effectiveness of social entrepreneurship initiatives among Asnaf. This article explores the characteristics that define successful social entrepreneurs among Asnaf in Malaysia, focusing on the unique interplay of cultural, religious, and economic factors.

## **2. Literature Review**

Social entrepreneurship has been increasingly recognized as a transformative tool for addressing societal challenges, particularly among marginalized communities. According to Bornstein and Davis [8], social entrepreneurs combine business acumen with a mission to create positive societal impact, making them uniquely suited to tackle issues such as poverty, unemployment, and inequality. This dual focus aligns with the needs of the Asnaf community in Malaysia, who face significant socio-economic challenges but have the potential to uplift themselves through entrepreneurial initiatives.

The role of entrepreneurship in poverty alleviation has been well-documented in the literature. Yunus [15]) highlights that microfinance and social business models can empower marginalized individuals by providing them with the means to establish sustainable enterprises. Similarly, Farooq [13] emphasizes the importance of targeting the "bottom of the pyramid" by creating opportunities for low-income communities to participate in the economy. In the Malaysian context, social entrepreneurship offers a culturally relevant approach, integrating Islamic principles such as zakat and waqf into business models, as noted by Kasim and Alias [12].

Islamic values play a pivotal role in shaping the entrepreneurial behavior of the Asnaf. Zakat, as a tool for wealth redistribution, not only addresses immediate financial needs but also fosters long-term economic development when strategically invested in entrepreneurial ventures [10]. Waqf, on the other hand, provides a sustainable funding mechanism for community-oriented projects, ensuring the continuity of social enterprises [11]. These principles are integral to the success of Asnaf entrepreneurs, as they enhance trust and credibility within their communities.

Despite the potential of social entrepreneurship, marginalized entrepreneurs face numerous challenges. Limited access to capital, lack of formal education, and societal stigma are common barriers, particularly for Asnaf [7]. However, successful social entrepreneurs often exhibit resilience and resourcefulness, traits that enable them to overcome these obstacles. As noted by Hamschmidt and Pirson [9], the ability to innovate and adapt is a defining characteristic of social entrepreneurs, allowing them to navigate complex socio-economic environments effectively.

Institutional support is another critical factor in the success of social entrepreneurship. Organizations such as Majlis Amanah Rakyat (MARA) and zakat institutions provide financial aid, training, and mentorship, which are essential for empowering Asnaf entrepreneurs [5,23]. Public-private partnerships further enhance the entrepreneurial ecosystem, offering additional resources and market access. For instance, partnerships with non-governmental organizations (NGOs) have been shown to provide valuable expertise and funding, enabling social entrepreneurs to scale their impact [14].

The literature also highlights the impact of social entrepreneurship on community development. Social enterprises initiated by marginalized groups not only address immediate socio-economic needs but also create a ripple effect of positive change. For example, ventures in education and healthcare improve access to essential services, while those in agriculture and small-scale manufacturing generate employment opportunities [6]. These outcomes contribute to the broader goals of sustainable development and poverty reduction [22].

In summary, the literature underscores the importance of social entrepreneurship as a means to empower marginalized communities, such as the Asnaf in Malaysia. By integrating Islamic principles, fostering resilience, and leveraging institutional support, social entrepreneurship can address systemic challenges and promote socio-economic transformation. This review provides a foundation for understanding the characteristics and success factors of Asnaf social entrepreneurs, as explored in this study.

## *2.1 Key Characteristics of Social Entrepreneurs Among Asnaf in Malaysia*

### *2.1.1 Visionary leadership*

A defining trait of successful social entrepreneurs is visionary leadership. Leaders among the Asnaf community often demonstrate a clear vision of addressing socio-economic disparities. They focus on creating ventures that not only generate income but also empower others within their community. For instance, some successful Asnaf entrepreneurs establish cooperatives or training centers to enhance skill development, multiplying the social impact.

A study by Kadir and Sarif [3] emphasized that visionary leadership among Asnaf entrepreneurs involves integrating Islamic values with innovative business strategies. These leaders inspire their peers and communities to believe in the transformative potential of social entrepreneurship.

### *2.1.2 Resilience and Perseverance*

Asnaf social entrepreneurs often face significant challenges, including limited access to capital, a lack of formal education, and societal stigma. However, resilience and perseverance are key traits that enable them to overcome these barriers. For example, the Amanah Ikhtiar Malaysia (AIM) microfinance program highlights how many Asnaf entrepreneurs persistently adapt to challenges, leveraging small loans to build sustainable businesses. Their ability to navigate adversity serves as an inspiration for others to follow suit.

### *2.1.3 Strong community orientation*

Successful Asnaf entrepreneurs prioritize community welfare over personal profit. This aligns closely with the principles of Islam, which encourage collective progress and mutual support. Initiatives such as community-based businesses, where profits are reinvested to improve living standards, reflect this orientation.

For example, entrepreneurs from Asnaf backgrounds often reinvest in education and healthcare services, creating a ripple effect of positive change. This characteristic not only builds trust within the community but also ensures long-term sustainability.

### *2.1.4 Resourcefulness and creativity*

Limited resources can spark creativity, and Asnaf entrepreneurs are no exception. They demonstrate ingenuity in developing business models that maximize available resources. From crafting products using recycled materials to leveraging digital platforms for marketing, their innovative approaches often lead to cost-effective solutions.

According to Mohamed [2], Asnaf social entrepreneurs have shown remarkable creativity in tapping into untapped markets, such as halal tourism and organic farming, creating niches that drive economic growth within their communities.

### *2.1.5 Ethical and religious commitment*

Ethical integrity and a strong commitment to Islamic principles form the bedrock of many successful Asnaf social entrepreneurs. They integrate zakat and waqf (endowment) into their business practices, ensuring that their ventures benefit society at large.

This characteristic fosters trust and goodwill, making their businesses more resilient to market fluctuations. Additionally, the alignment with Islamic values ensures that these entrepreneurs receive community support, which is critical for sustaining social ventures [4].

### *2.1.6 Policy implications and support*

For social entrepreneurship among Asnaf to thrive, supportive ecosystems are essential. Government agencies, such as Majlis Amanah Rakyat (MARA) and zakat institutions, have a pivotal role in providing financial assistance, training, and mentorship. Collaborations between these agencies and private sectors can further enhance the growth of Asnaf social entrepreneurs.

## **3. Methodology**

This study utilized a qualitative approach based on a comprehensive review of existing literature to explore the characteristics of successful social entrepreneurs among the Asnaf community in Malaysia. The methodology involved an extensive examination of academic articles, books, reports, and case studies relevant to social entrepreneurship, the Asnaf community, and the integration of Islamic values in business practices. The focus was on identifying key traits, behaviors, and strategies that have contributed to the success of Asnaf social entrepreneurs, particularly in overcoming challenges such as limited resources, societal stigma, and financial constraints.

The literature review process involved systematic searches across academic databases such as Google Scholar, JSTOR, and Scopus, using key terms like "Asnaf social entrepreneurship," "Islamic

social entrepreneurship," "poverty alleviation," and "community empowerment." Relevant articles and studies were selected based on their alignment with the research objectives, which included identifying characteristics like visionary leadership, resilience, resourcefulness, community focus, and ethical commitment.

Data synthesis was carried out by categorizing the findings into themes that emerged across different sources, allowing for a deeper understanding of the factors that contribute to the success of Asnaf entrepreneurs. The insights derived from these articles were analyzed and compared, providing a holistic view of the current state of social entrepreneurship among the Asnaf in Malaysia. The study does not involve primary data collection but instead relies on secondary data to establish a theoretical framework for understanding the success factors of Asnaf social entrepreneurs.

#### **4. Result and Discussion**

The findings align with existing literature on social entrepreneurship, particularly in marginalized communities. The visionary leadership observed among Asnaf entrepreneurs is consistent with Dees [25], who asserts that successful social entrepreneurs are driven by a clear social mission and a long-term vision for change. This characteristic is crucial for overcoming the barriers faced by Asnaf entrepreneurs, as it enables them to stay focused on their goals despite the difficulties they encounter.

The resilience and resourcefulness of Asnaf entrepreneurs echo the work of Bornstein and Davis [8], who emphasize that the ability to adapt and innovate in the face of adversity is a defining trait of social entrepreneurs. Asnaf entrepreneurs often rely on their creativity to develop low-cost solutions that address local needs, further demonstrating the link between resilience and entrepreneurial success.

A key theme that emerged from the literature review is the community-centred focus of Asnaf entrepreneurs, which aligns with the concept of "social value" discussed [6]. These entrepreneurs prioritize the welfare of their communities over personal profit, often reinvesting earnings into local development initiatives. This approach reflects the Islamic principles of zakat and waqf, which emphasize the importance of wealth redistribution and collective welfare [16,19].

The role of institutional support in fostering success was consistently highlighted across the sources reviewed. As noted by Seelos and Mair [14], external support from organizations like MARA and zakat institutions provides not only financial resources but also training and mentorship, which are critical for the sustainability of social enterprises. The combination of financial aid and capacity-building programs creates an environment conducive to the growth of social entrepreneurs among marginalized communities [22,24].

#### **5. Findings**

The findings of this study, derived from the literature review, highlight several key characteristics of successful social entrepreneurs among the Asnaf community in Malaysia. First, visionary leadership stands out as a critical trait. Successful Asnaf entrepreneurs demonstrate a clear sense of purpose and a long-term vision, often driven by their personal experiences with poverty. This vision allows them to create businesses that not only generate income for themselves but also address broader societal issues.

Another prominent characteristic is resilience. Asnaf entrepreneurs face significant challenges, including limited access to capital, societal stigma, and a lack of formal education. Despite these

obstacles, successful social entrepreneurs exhibit remarkable perseverance and the ability to adapt their business models to changing circumstances. Their resourcefulness is also evident, as they often leverage available resources creatively, developing innovative solutions to meet community needs and market demands.

Furthermore, a strong community-centred focus is apparent. Many Asnaf entrepreneurs prioritize the welfare of their communities, reinvesting profits into local development initiatives such as education, healthcare, and job creation. Their businesses are not merely profit-driven but are oriented towards creating social value. This is further reinforced by their ethical commitment, rooted in Islamic values [17] like zakat and waqf, which guide their business practices and ensure that their ventures contribute positively to society.

Finally, institutional support plays a vital role in the success of Asnaf entrepreneurs. Zakat institutions, government agencies like MARA, and other support organizations provide essential resources, training, and mentorship, which enhance the ability of Asnaf entrepreneurs to overcome barriers and sustain their businesses.

## 6. Conclusion

This study highlights the key characteristics that contribute to the success of Asnaf social entrepreneurs in Malaysia, as identified through a review of existing literature. Visionary leadership, resilience, resourcefulness, a community-centred approach, and ethical commitment are the core traits that enable Asnaf entrepreneurs to overcome challenges and create impactful social enterprises. Additionally, the support from government agencies, zakat institutions, and other organizations is crucial for enhancing the sustainability of these ventures.

The findings of this study emphasize the potential of social entrepreneurship as a tool for empowering marginalized communities in Malaysia. Asnaf social entrepreneurs not only improve their economic situations but also contribute to broader social development by addressing key community needs. To further promote the success of Asnaf entrepreneurs, it is recommended that policies focus on expanding financial support, enhancing training opportunities, and fostering collaboration between the public and private sectors. By doing so, the positive impact of social entrepreneurship can be maximized, creating a more inclusive and sustainable economy for all.

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