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Sustainable Da'wah through Social Entrepreneurship: Transforming Islamic Philanthropy from Charity to Empowerment

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Abstract

This study examines how social entrepreneurship can be conceptualized as an evolutionary model of sustainable *da'wah* by transforming Islamic philanthropy from charity-based assistance into empowerment-oriented development. Employing a normative-conceptual research design, the study uses a systematic literature review of scholarly works on *da'wah bil-ḥāl*, Islamic philanthropy, and social entrepreneurship published between 2000 and 2026. Data were analyzed using qualitative content analysis and descriptive-critical analysis to synthesize the conceptual relationships among the three domains. The findings reveal that *da'wah bil-ḥāl*, Islamic philanthropy, and social entrepreneurship share a common orientation toward community empowerment while performing complementary functions: *da'wah bil-ḥāl* provides the normative foundation, Islamic philanthropy mobilizes social resources, and social entrepreneurship operationalizes sustainable value creation. Based on this synthesis, the study proposes a Sustainable *Da'wah* through Social Entrepreneurship framework linking Islamic values, philanthropic capital, entrepreneurial innovation, community empowerment, self-reliance, collective well-being, and *falāḥ*. The framework contributes to contemporary Islamic economics and Islamic social finance by offering a novel theoretical model that repositions Islamic philanthropy as a sustainable mechanism for long-term socio-economic transformation.

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INTRODUCTION

Despite sustained economic growth over the past two decades, Indonesia continues to face persistent structural social challenges, including multidimensional poverty, widening income inequality, unemployment, limited access to quality education, and regional development disparities. These challenges demonstrate that economic growth alone is insufficient to achieve inclusive and sustainable social welfare. Government intervention, although indispensable, often encounters fiscal, institutional, and administrative constraints that limit its capacity to address increasingly complex social problems. Consequently, sustainable development requires collaborative engagement among multiple societal actors, including civil society organizations, religious institutions, philanthropic organizations, and local communities that possess social legitimacy and community-based resources (Osborne, 2010; Todaro & Smith, 2020). Within this collaborative governance framework, Islamic organizations have emerged as particularly influential actors because of their extensive social networks, moral authority, and capacity to mobilize voluntary resources. Their participation extends beyond charitable assistance, contributing to community resilience, social cohesion, and inclusive development through various forms of faith-based social intervention that complement public welfare policies.

Within the Islamic worldview, efforts to improve social welfare constitute an inseparable component of da'wah, which encompasses far more than the transmission of religious teachings through preaching or written communication. Da'wah represents a comprehensive process of social transformation aimed at promoting *maqāṣid al-sharī'ah*, human dignity, justice, and collective well-being (*maṣlaḥah*). Among its various approaches, *da'wah bil-ḥāl*, the propagation of Islamic values through practical action, holds particular significance because it emphasizes tangible interventions that directly address societal challenges rather than relying solely on persuasive discourse (Aziz, 2017; Munir & Ilaihi, 2015; Shihab, 2013). This practical orientation positions da'wah as a transformative instrument capable of empowering disadvantaged communities through education, economic development, healthcare, and social services. Consequently, contemporary da'wah increasingly requires institutional innovation that integrates religious values with sustainable socio-economic initiatives, enabling Islamic organizations to respond effectively to evolving development challenges while simultaneously strengthening community self-reliance and long-term social resilience.

One of the most significant manifestations of *da'wah bil-ḥāl* is Islamic philanthropy, which institutionalizes social solidarity through zakat, ṣadaqah, infāq, and waqf as mechanisms for redistributing wealth and promoting socio-economic justice. As the country with the world's largest Muslim population, Indonesia possesses enormous philanthropic potential capable of contributing substantially to sustainable development. National philanthropic organizations such as Dompet Dhuafa, Rumah Zakat, LAZISMU, and LAZISNU have demonstrated considerable institutional capacity in mobilizing and professionally managing philanthropic resources to support education, healthcare, disaster relief, and community development programs (Fauzia, 2013; Latief, 2016). The remarkable growth of Islamic philanthropic institutions illustrates the increasing professionalization of faith-based social finance and their strategic role in complementing government welfare initiatives. Beyond resource redistribution, these institutions have become important intermediaries that connect religious obligations with broader socio-economic development agendas, thereby positioning Islamic philanthropy as a critical pillar of inclusive and participatory development within Muslim-majority societies.

Despite these institutional achievements, a fundamental limitation persists within much of contemporary Islamic philanthropic practice. Resource allocation remains predominantly oriented toward short-term charitable assistance designed to alleviate immediate hardship rather than addressing the structural causes of poverty and social exclusion. While charitable interventions are indispensable during emergencies and humanitarian crises, they frequently fail to generate lasting economic independence among beneficiaries. Consequently, repeated financial assistance may unintentionally reinforce dependency instead of fostering productive capacities and self-sufficiency. Existing scholarship has consistently argued that philanthropic models emphasizing consumption rather than productive empowerment tend to produce limited long-term developmental impacts (Eikenberry & Burrows, 2006; Latief, 2016). This limitation highlights the urgent need to reposition Islamic philanthropy from a purely distributive paradigm toward a transformative model that equips beneficiaries with entrepreneurial capabilities, productive assets, institutional support, and sustainable income-generating opportunities capable of breaking intergenerational cycles of poverty.

In response to these challenges, social entrepreneurship has gained increasing scholarly attention as an innovative approach that combines entrepreneurial principles with explicit social missions to generate sustainable social value. Unlike conventional charitable organizations that primarily depend on continuous external donations, social enterprises pursue financially viable business models while simultaneously addressing social and environmental problems through innovation, community participation, and long-term value creation (Dees, 1998; Mair & Marti, 2006). The emphasis on empowerment rather than dependency makes social entrepreneurship particularly relevant for Islamic philanthropic institutions seeking to enhance the effectiveness and sustainability of their social interventions. By integrating market mechanisms with ethical objectives, social entrepreneurship provides an institutional framework through which philanthropic resources can be transformed into productive investments that create employment, strengthen local economic capacities, and enable beneficiaries to become economically independent. This convergence offers a promising pathway for translating Islamic ethical principles into sustainable development practices that generate enduring social impact.

Although the literature on da'wah, Islamic philanthropy, and social entrepreneurship has expanded considerably, these three domains have largely developed as separate streams of scholarship with limited theoretical integration. Studies on da'wah primarily emphasize religious communication and community engagement, while research on Islamic philanthropy focuses on institutional governance, zakat management, and waqf development. Conversely, the social entrepreneurship literature predominantly examines innovation, hybrid organizations, and social value creation within secular development contexts (Nicholls, 2006; Latief, 2016). Consequently, insufficient attention has been devoted to conceptualizing social entrepreneurship as a contemporary evolution of *da'wah bil-ḥāl* capable of transforming Islamic philanthropy from a charity-oriented paradigm into an empowerment-driven model. This theoretical fragmentation represents a significant research gap because it overlooks the potential synergy between Islamic religious values, philanthropic institutions, and entrepreneurial innovation in generating sustainable community development. Addressing this gap contributes to advancing interdisciplinary scholarship within Islamic economics, development studies, and faith-based social innovation.

Against this background, this study develops a conceptual framework of Sustainable Da'wah through Social Entrepreneurship by integrating the principles of *da'wah bil-ḥāl*, Islamic philanthropy, and social entrepreneurship into a coherent theoretical model. Specifically, the study addresses two research questions: (1) How are *da'wah bil-ḥāl*, Islamic philanthropy, and social entrepreneurship conceptually interconnected within a community empowerment perspective? (2) How can Sustainable Da'wah through Social Entrepreneurship be theoretically constructed as an integrated framework for transforming Islamic philanthropy? This study argues that social entrepreneurship represents the evolutionary trajectory of *da'wah bil-ḥāl*, enabling Islamic philanthropy to move beyond conventional charity toward productive empowerment that enhances economic independence, social inclusion, and long-term community resilience. By proposing this integrated framework, the article contributes to extending the theoretical boundaries of Islamic social finance while offering practical insights for policymakers, philanthropic organizations, and Islamic institutions seeking to maximize the developmental impact of faith-based social interventions.

RESEARCH METHOD

Research Design

This study adopts a normative-conceptual research design aimed at developing a coherent theoretical framework that explains the interrelationship between *da'wah bil-ḥāl*, Islamic philanthropy, and social entrepreneurship. Unlike empirical studies that seek to test causal relationships through quantitative or qualitative data collection, normative-conceptual research focuses on theory development by critically examining, synthesizing, and reconstructing existing bodies of knowledge into an integrated conceptual model (Creswell & Creswell, 2018; Marzuki, 2017). This design is particularly appropriate because the primary objective of the study is not to measure the effectiveness of philanthropic programs, but rather to conceptualize how social entrepreneurship can be understood as an evolutionary model of *da'wah bil-ḥāl* that transforms Islamic philanthropy from a charity-oriented paradigm into an empowerment-driven approach. Through systematic conceptual integration, this study contributes to extending the theoretical foundations of contemporary Islamic da'wah and Islamic social finance while proposing a framework that may guide future empirical investigations.

Research Approach

The study integrates two complementary analytical approaches to ensure both theoretical depth and contextual relevance. First, a conceptual approach is employed to examine, compare, and synthesize theories related to *da'wah bil-ḥāl*, Islamic philanthropy, community empowerment, and social entrepreneurship. This approach facilitates the identification of conceptual relationships, theoretical convergence, and emerging propositions across different scholarly traditions. Second, an institutional approach is utilized to understand how Islamic philanthropic institutions operate within the Indonesian context, thereby providing an empirical backdrop for interpreting the conceptual transformation proposed in this study. Indonesia represents an appropriate setting because of its highly institutionalized Islamic philanthropic ecosystem and the growing adoption of entrepreneurial initiatives among zakat and waqf organizations (Latief, 2016; Nicholls, 2006). Rather than serving as empirical case studies, institutional practices are employed as contextual illustrations that enrich theoretical interpretation and strengthen the applicability of the proposed conceptual framework.

Data Analysis

The analytical process consisted of two sequential stages designed to generate a robust conceptual synthesis. The first stage employed qualitative content analysis to identify recurring concepts, theoretical constructs, thematic patterns, and explanatory propositions across the selected literature (Krippendorff, 2018). Through iterative coding and comparative interpretation, concepts originating from the three disciplinary domains were systematically categorized and examined to identify areas of convergence and divergence.

The second stage involved descriptive-critical analysis, which evaluated the coherence, consistency, and explanatory capacity of the relationships identified during the content analysis. This stage enabled the reconstruction of a theoretical argument positioning social entrepreneurship as a contemporary model of sustainable *da'wah* rooted in Islamic philanthropic principles. The final synthesis produced an integrated conceptual framework illustrating the transformation of Islamic philanthropy from a predominantly charity-based approach toward an empowerment-oriented paradigm through entrepreneurial mechanisms. To enhance the credibility and trustworthiness of the conceptual findings, source triangulation was employed by verifying each major theoretical proposition against at least three independent scholarly sources that consistently supported the same conceptual interpretation. This procedure strengthened the internal consistency of the proposed framework while minimizing interpretive bias in the synthesis process.

RESULT AND DISCUSSION

Conceptual Convergence of *Da'wah bil-Ḥāl*, Islamic Philanthropy, and Social Entrepreneurship

The synthesis of the three bodies of literature reveals a significant conceptual convergence between *da'wah bil-ḥāl*, Islamic philanthropy, and social entrepreneurship. Although these concepts originate from different academic traditions, Islamic studies, Islamic social finance, and entrepreneurship, they share a common developmental objective: fostering sustainable social transformation through community empowerment. Rather than functioning as independent paradigms, the findings indicate that these three domains constitute complementary components of a broader ecosystem of social change. Their convergence is particularly evident in their collective emphasis on improving human well-being, reducing structural inequality, and strengthening the capacity of individuals and communities to achieve self-reliance. This observation suggests that sustainable development within an Islamic framework cannot be adequately understood through isolated disciplinary perspectives but instead requires an integrated approach that combines ethical values, institutional mechanisms, and entrepreneurial innovation. Such integration also reflects the contemporary evolution of Islamic socio-economic thought, where religious principles increasingly intersect with sustainable development agendas and social innovation.

From a normative perspective, *da'wah bil-ḥāl* serves as the ethical and theological foundation of this integrated framework. Unlike conventional understandings of da'wah that emphasize verbal preaching (*da'wah bi al-lisān*), *da'wah bil-ḥāl* conceptualizes Islamic propagation as concrete social action aimed at realizing *maṣlaḥah* (public welfare), justice, and human dignity (Aziz, 2017; Shihab, 2013). Its central objective extends beyond communicating religious doctrines to transforming the socio-economic realities experienced by society. Consequently, social interventions such as poverty alleviation, educational development, healthcare provision, and economic empowerment become legitimate expressions of Islamic da'wah. This normative orientation aligns closely with the objectives of

Maqāṣid al-Sharī'ah, particularly the preservation and enhancement of wealth (*ḥifẓ al-māl*), human welfare (*ḥifẓ al-nafs*), and social justice. Therefore, *da'wah bil-ḥāl* should not merely be interpreted as charitable action but as a transformative process that seeks to cultivate long-term societal resilience through sustainable empowerment.

Within this normative framework, Islamic philanthropy functions as the institutional mechanism for mobilizing and redistributing socio-economic resources. Instruments such as zakat, waqf, ṣadaqah, and infāq provide structured financial mechanisms through which Islamic ethical commitments are translated into tangible development initiatives. Historically, these instruments have played a pivotal role in supporting education, healthcare, poverty alleviation, and public infrastructure across Muslim societies. Contemporary Islamic philanthropic institutions have further professionalized these functions by adopting modern governance practices and accountability mechanisms (Fauzia, 2013; Latief, 2016). Nevertheless, the literature consistently identifies a persistent structural limitation: philanthropic resources continue to be predominantly allocated to consumptive assistance that addresses immediate needs while generating limited long-term socio-economic transformation. Although emergency relief remains indispensable, excessive reliance on charity-oriented distribution may unintentionally perpetuate beneficiary dependency, thereby constraining the transformative potential of Islamic philanthropy. This finding highlights the necessity of reorienting philanthropic institutions toward productive investment models that prioritize capability development, entrepreneurial capacity, and sustainable livelihood creation.

The operational dimension of this transformation is provided by social entrepreneurship. Unlike conventional commercial entrepreneurship, which primarily pursues financial returns, social entrepreneurship integrates entrepreneurial innovation with explicit social objectives to generate sustainable social value (Dees, 1998; Mair & Marti, 2006). Its distinguishing characteristic lies in its ability to convert social assistance into productive economic activities capable of creating employment opportunities, generating continuous income, and strengthening community resilience. Rather than perceiving beneficiaries as passive recipients of aid, social entrepreneurship positions them as active economic agents who participate in value creation and local development. This paradigm fundamentally complements the empowerment orientation inherent in both *da'wah bil-ḥāl* and Islamic philanthropy. Consequently, entrepreneurial mechanisms provide the missing operational link that enables philanthropic capital to evolve from one-time redistribution into self-sustaining economic ecosystems capable of producing enduring social impact. In this sense, entrepreneurship functions not as an alternative to philanthropy but as the institutional mechanism through which philanthropic resources achieve greater developmental effectiveness.

Despite this strong convergence, the analysis also demonstrates that the three concepts should not be regarded as interchangeable. Each occupies a distinct theoretical position while simultaneously performing complementary functions within an integrated framework. *Da'wah bil-ḥāl* provides the normative and ethical foundation by defining the moral objectives of social transformation according to Islamic teachings. Islamic philanthropy supplies the financial and institutional resources necessary to initiate developmental interventions. Social entrepreneurship, in turn, offers the managerial and entrepreneurial mechanisms that transform these resources into sustainable economic and social outcomes. The relationship among these domains is therefore hierarchical rather than parallel: values determine objectives, philanthropic institutions mobilize resources, and entrepreneurial processes operationalize those resources into measurable developmental impacts. Recognizing this functional differentiation prevents conceptual overlap while simultaneously clarifying the strategic role of each component within the broader architecture of sustainable Islamic development.

The findings further extend existing scholarship by proposing that the relationship among *da'wah bil-ḥāl*, Islamic philanthropy, and social entrepreneurship should be understood not merely as conceptual compatibility but as an evolutionary continuum of Islamic social transformation**.** Previous studies have generally examined these three domains independently—focusing on da'wah as religious communication, Islamic philanthropy as charitable resource distribution, or social entrepreneurship as an innovation-driven organizational model (Nicholls, 2006; Latief, 2016). This fragmented perspective overlooks the dynamic interaction through which religious values evolve into institutional mechanisms and subsequently into sustainable socio-economic practices. The present study therefore argues that social entrepreneurship represents the contemporary operational evolution of *da'wah bil-ḥāl*, enabling Islamic philanthropy to transcend the limitations of conventional charity and become a catalyst for long-term empowerment. This theoretical proposition constitutes the principal contribution of the study by introducing an integrated framework that connects Islamic ethics, faith-based social finance, and entrepreneurial innovation into a unified model of Sustainable Da'wah. Such a framework not only enriches the theoretical discourse within Islamic economics and Islamic social finance but also offers practical implications for philanthropic organizations seeking to maximize sustainable developmental impact through empowerment-oriented strategies.

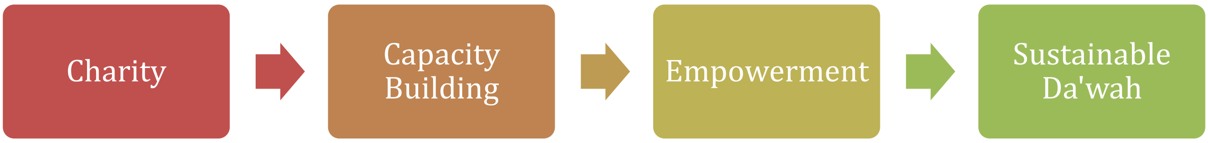
Social Entrepreneurship as the Evolutionary Stage of *Da'wah bil-Ḥāl*

The findings suggest that social entrepreneurship should not merely be regarded as an additional instrument of *da'wah bil-ḥāl*, but rather as its evolutionary stage within the broader trajectory of Islamic social transformation. Historically, the operational forms of *da'wah bil-ḥāl* have continuously evolved in response to changing socio-economic conditions and the increasingly complex nature of societal challenges. While its theological foundations remain constant, its methods and institutional expressions have undergone significant adaptation to ensure the continued realization of *maṣlaḥah* (public welfare). This evolutionary perspective reflects the dynamic character of Islamic civilization, in which religious values are translated into increasingly sophisticated mechanisms for addressing emerging developmental problems. Consequently, the progression from charitable assistance to entrepreneurial empowerment should be understood not as a departure from classical Islamic teachings but as a contemporary manifestation of the same normative objectives through more sustainable institutional arrangements.

The historical evolution of *da'wah bil-ḥāl* may be interpreted as a gradual transition through four interconnected developmental stages. The earliest stage was characterized by charity-oriented interventions, in which immediate assistance was provided through zakat, ṣadaqah, infāq, and other philanthropic instruments to alleviate urgent social hardship. Although indispensable for humanitarian relief, this approach primarily addressed the symptoms of poverty rather than its structural determinants. As Islamic philanthropic institutions became increasingly professionalized, the emphasis expanded toward capacity building, focusing on education, vocational training, and human capital development to enhance beneficiaries' knowledge and productive capabilities. The subsequent stage involved community empowerment, whereby beneficiaries were encouraged to participate actively in decision-making processes, resource management, and local institutional development, thereby strengthening their autonomy and resilience. These sequential transformations demonstrate a progressive shift from short-term welfare provision toward long-term capability enhancement, reflecting an increasingly developmental orientation within Islamic da'wah practice.

Building upon these preceding stages, social entrepreneurship represents the next logical evolution by integrating entrepreneurial mechanisms with Islamic ethical values to generate sustainable socio-economic transformation. Unlike empowerment programs that frequently depend on continuous external funding, social entrepreneurship seeks to establish self-sustaining economic systems capable of producing recurring social value through productive enterprise, innovation, and community participation (Dees, 1998; Mair & Marti, 2006). In this model, beneficiaries no longer function merely as recipients of philanthropic assistance but become entrepreneurs, producers, and active contributors to local economic development. Philanthropic capital is therefore transformed into productive assets that continuously generate income, employment opportunities, and social benefits. This institutional shift fundamentally changes the role of Islamic philanthropy from redistributive consumption to productive investment, thereby increasing both the effectiveness and sustainability of faith-based social interventions. Consequently, social entrepreneurship extends the practical reach of *da'wah bil-ḥāl* by embedding Islamic values within economically viable and socially innovative organizational models.

The conceptual progression identified in this study can therefore be represented as an integrated developmental continuum:



Rather than replacing one another, these stages are cumulative and mutually reinforcing. Charity remains indispensable during humanitarian emergencies and disaster responses; however, it is insufficient as a standalone strategy for addressing persistent structural poverty. Capacity building strengthens human capital, while empowerment enhances institutional and social capabilities. Social entrepreneurship complements these earlier stages by transforming acquired capabilities into productive economic activities that continuously generate social value. The culmination of this evolutionary process is what this study conceptualizes as Sustainable Da'wah, a model of Islamic social transformation in which religious values, philanthropic resources, and entrepreneurial innovation interact to create enduring socio-economic impact without excessive dependence on recurrent charitable transfers. This conceptualization distinguishes Sustainable Da'wah from conventional philanthropic approaches by emphasizing institutional sustainability, community ownership, and long-term developmental resilience rather than temporary welfare provision.

The compatibility between social entrepreneurship and Islamic ethical principles further reinforces this theoretical proposition. Core Islamic values, including *amānah* (trustworthiness), *iḥsān* (excellence), *ta'āwun* (mutual cooperation), and *ʿadl* (justice), provide the normative foundation that guides entrepreneurial activities toward socially beneficial outcomes rather than profit maximization alone (Beekun, 1997; Chapra, 2000). *Amānah* encourages transparent and accountable management of philanthropic resources; *iḥsān* motivates continuous innovation and the pursuit of excellence in delivering social impact; *ta'āwun* promotes collaborative partnerships among communities, philanthropic institutions, governments, and the private sector; while *ʿadl* ensures that economic activities contribute to equitable wealth distribution and inclusive development. Collectively, these principles differentiate Islamic social entrepreneurship from its secular counterpart by embedding entrepreneurial innovation within a comprehensive moral framework rooted in divine accountability and collective welfare. Thus, entrepreneurship becomes not only an economic activity but also an ethical manifestation of religious responsibility and social stewardship.

Recent empirical evidence further supports this conceptual argument. Contemporary studies demonstrate that integrating Islamic social finance with entrepreneurial models generates significantly greater empowerment outcomes than conventional charitable distribution alone. For example, Islam (2023) found that combining zakat and waqf resources with community-based social enterprises substantially enhanced beneficiaries' productive capacity, income sustainability, and long-term economic independence. Similarly, Hasan (2024) argued that entrepreneurial approaches enable Islamic philanthropic institutions to diversify revenue streams, strengthen institutional financial sustainability, and simultaneously expand their religious and social missions. These findings provide empirical validation for the theoretical framework proposed in this study, confirming that social entrepreneurship represents more than a managerial innovation, it constitutes an institutional evolution of *da'wah bil-ḥāl* capable of transforming Islamic philanthropy into a sustainable ecosystem of empowerment. Accordingly, this study advances the proposition that Sustainable Da'wah should be recognized as a new conceptual paradigm in Islamic social development, where the ultimate objective extends beyond alleviating poverty toward cultivating resilient communities capable of generating continuous social value through ethically grounded entrepreneurial activities.

Conceptual Model of Sustainable *Da'wah* through Social Entrepreneurship

Building upon the conceptual synthesis developed throughout this study, a new theoretical framework, Sustainable *Da'wah* through Social Entrepreneurship is proposed to explain how Islamic values, philanthropic institutions, and entrepreneurial mechanisms interact to generate long-term social transformation. Unlike previous studies that have primarily examined *da'wah*, Islamic philanthropy, and social entrepreneurship as separate analytical domains, the proposed model conceptualizes them as an integrated developmental system in which each component performs a distinct yet interdependent function. The model extends beyond a descriptive representation of philanthropic activities by illustrating the sequential process through which religious values are translated into sustainable socio-economic outcomes. It therefore provides a theoretical explanation of how faith-based social finance can evolve from short-term charitable redistribution into a self-sustaining ecosystem of community empowerment. The model consists of seven interconnected components that operate hierarchically, with each stage reinforcing the subsequent one while maintaining continuous feedback throughout the developmental process.

The first component comprises Islamic values**,** which constitute the normative foundation of the entire framework. Values such as amānah (trustworthiness), iḥsān (excellence), ta'āwun (mutual cooperation), ukhuwwah (social solidarity), and ʿadl (justice) establish the ethical orientation that differentiates Islamic social entrepreneurship from conventional social enterprise models (Beekun, 1997; Chapra, 2000; Shihab, 2013). These principles function not merely as moral ideals but as institutional drivers that shape organizational governance, strategic decision-making, and stakeholder relationships. Consequently, entrepreneurial activities are evaluated not solely according to financial performance but also according to their contribution to social justice, human dignity, and collective welfare. By embedding entrepreneurial innovation within this normative framework, the proposed model ensures that economic activities remain aligned with the objectives of *Maqāṣid al-Sharīʿah*, thereby preserving the spiritual identity of *da'wah* while simultaneously responding to contemporary development challenges.

The second component is Islamic philanthropy, which functions as the institutional mechanism for mobilizing and allocating social resources. Through instruments such as zakat, waqf, ṣadaqah, and infāq, philanthropic institutions accumulate financial capital, social trust, and community participation that collectively provide the initial resources for empowerment-oriented programs (Kahf, 2003; Latief, 2016). Within the proposed framework, philanthropy serves as the critical bridge between Islamic ethical commitments and practical socio-economic intervention. Rather than perceiving philanthropic funds as resources for one-time consumption, the model repositions them as strategic investments capable of generating productive assets and sustainable economic opportunities. This reconceptualization transforms Islamic philanthropy from a redistributive institution into a catalytic mechanism that stimulates inclusive economic development while preserving its religious legitimacy and social objectives.

The third component is social entrepreneurship, which represents the operational engine through which philanthropic resources are converted into sustainable developmental outcomes. At this stage, philanthropic capital is strategically invested in productive initiatives, including microenterprise financing, vocational training, cooperative development, pesantren-based enterprises, productive waqf projects, and community-owned businesses. These initiatives simultaneously generate economic returns and measurable social impact, enabling development programs to maintain financial sustainability without excessive dependence on recurring donations (Dees, 1998; Yunus, 2010). Unlike conventional business organizations, value creation within this framework is assessed through a dual-performance logic that balances economic viability with social impact. Thus, social entrepreneurship transforms philanthropy from passive wealth redistribution into an active process of productive investment that continuously expands opportunities for disadvantaged communities while reinforcing institutional sustainability.

The fourth and fifth components represent the immediate developmental outcomes of this entrepreneurial process: socio-economic empowerment and community self-reliance. Socio-economic empowerment refers to the enhancement of beneficiaries' capabilities through improved access to education, entrepreneurial skills, productive assets, financial services, and participatory decision-making (Ife, 2013; Kartasasmita, 1996). These improvements strengthen individual agency and reduce structural vulnerabilities that perpetuate poverty. Empowerment subsequently evolves into community self-reliance, where individuals transition from passive beneficiaries into active economic actors capable of independently managing productive enterprises and contributing to local development (Martin & Osberg, 2007; Yunus, 2010). This transformation represents the model's most critical institutional shift because success is no longer measured by the amount of aid distributed but by the capacity of communities to sustain economic growth independently. Accordingly, the beneficiary is reconceptualized as a co-producer of development rather than a recipient of charitable assistance.

The sixth component is community well-being (*maṣlaḥah al-ummah*), which constitutes the broader societal outcome of sustained empowerment. In contrast to conventional development frameworks that frequently emphasize material prosperity alone, Islamic perspectives define well-being as a multidimensional construct encompassing economic security, educational attainment, public health, social cohesion, environmental responsibility, and human dignity (Chapra, 2000; Obaidullah & Shirazi, 2015). Sustainable *da'wah* therefore seeks to improve not only household income but also the quality of social relationships, institutional trust, and community resilience. This multidimensional understanding aligns closely with the holistic objectives of *Maqāṣid al-Sharīʿah*, where development is evaluated according to its contribution to both material advancement and moral flourishing. Consequently, socio-economic development becomes inseparable from ethical and spiritual development within the proposed conceptual framework.

The final component is falāḥ**,** which represents the ultimate objective of Sustainable *Da'wah*. Within Islamic economics, *falāḥ* denotes holistic success that integrates material prosperity, spiritual fulfillment, moral integrity, and eternal well-being (Beekun, 1997; Chapra, 2000). Unlike secular development paradigms that generally terminate at economic welfare or social inclusion, the proposed model extends its evaluative horizon by recognizing spiritual achievement as the highest measure of sustainable development. In this sense, *falāḥ* functions as the normative endpoint that ensures all preceding stages remain aligned with the ethical objectives of Islam. Sustainable *da'wah* is therefore considered successful not merely because it alleviates poverty or generates economic growth, but because it cultivates morally responsible, economically independent, and socially resilient communities whose development contributes simultaneously to worldly prosperity and spiritual fulfillment.

The conceptual model proposed in this study advances the existing literature in three important respects. First, it integrates the previously fragmented domains of *da'wah bil-ḥāl*, Islamic philanthropy, and social entrepreneurship into a unified theoretical architecture, thereby addressing a significant gap in contemporary Islamic social finance scholarship. Second, it redefines social entrepreneurship as the operational evolution of *da'wah bil-ḥāl* rather than simply another development instrument, establishing a new theoretical perspective on faith-based entrepreneurship. Third, it introduces Sustainable *Da'wah* as a novel conceptual construct that links Islamic ethical values, philanthropic capital, entrepreneurial innovation, community empowerment, and *Maqāṣid al-Sharīʿah*-oriented development into a coherent explanatory framework. Recent studies by Adinugraha et al. (2025) and Cipta (2024) indicate an emerging scholarly consensus regarding the importance of integrating Islamic social finance with entrepreneurial approaches. However, this study extends that discussion by demonstrating the complete causal pathway through which Islamic values are institutionalized into sustainable development outcomes. Accordingly, the proposed framework contributes not only to the theoretical advancement of Islamic economics and Islamic social finance but also offers a strategic reference for zakat institutions, waqf organizations, Islamic NGOs, and policymakers seeking to design empowerment-oriented programs that are socially transformative, financially sustainable, and spiritually grounded.

Practical Reflection: Implications for Islamic Philanthropic Institutions in Indonesia

Although the conceptual framework proposed in this study is developed through normative-conceptual analysis, its underlying logic is not entirely detached from contemporary practice. On the contrary, several leading Islamic philanthropic institutions in

Indonesia have gradually adopted organizational approaches that closely resemble the principles of Sustainable *Da'wah* through Social Entrepreneurship, despite not explicitly framing their initiatives within this theoretical construct. These institutional experiences demonstrate that the transformation of Islamic philanthropy from charity-based assistance toward empowerment-oriented development is already emerging in practice. Consequently, reflecting upon these initiatives serves not only to illustrate the practical relevance of the proposed framework but also to provide preliminary analytical validation of its applicability within real-world Islamic social finance institutions. Rather than presenting isolated success stories, these cases reveal broader institutional trends indicating that Islamic philanthropy is increasingly evolving into a development-oriented ecosystem emphasizing productivity, community participation, and long-term social impact.

Among Indonesian philanthropic organizations, Dompet Dhuafa represents one of the most prominent examples of this institutional transformation. Originally established as a zakat distribution organization, it has progressively expanded its organizational mission by integrating productive economic activities into its philanthropic programs. Through initiatives such as integrated agricultural development, community livestock projects, microenterprise financing, social healthcare services, and productive waqf management, philanthropic resources are increasingly utilized as catalytic investments rather than consumptive transfers (Latief, 2016). This institutional evolution reflects the core proposition advanced in the present study: philanthropic capital can generate significantly greater developmental impact when managed through entrepreneurial mechanisms capable of producing recurring economic and social value. Importantly, these initiatives illustrate that financial sustainability and religious missions need not be viewed as competing objectives. Instead, entrepreneurial innovation enhances the long-term effectiveness of philanthropic institutions by enabling them to continuously expand their social interventions while reducing dependence on recurring charitable contributions.

A similar developmental orientation can be observed in Rumah Zakat, particularly through its *Desa Berdaya* (Empowered Village) program, which adopts a comprehensive community development approach integrating economic empowerment, educational support, healthcare services, environmental management, and women's economic participation. Rather than providing one-time financial assistance, the program emphasizes continuous mentoring, local entrepreneurship, cooperative development, and institutional strengthening, thereby gradually increasing community self-reliance (Fauzia, 2013; Obaidullah & Shirazi, 2015). Likewise, the growing movement of pesantren-based economic development demonstrates how Islamic educational institutions can simultaneously function as centers of religious learning, social entrepreneurship, and local economic development. Through cooperatives, productive waqf projects, agribusiness ventures, and community-owned enterprises, many pesantren have expanded their traditional educational roles into broader socio-economic responsibilities (Azra, 2012; Maksum, 2016). Collectively, these experiences illustrate that the integration of Islamic values, philanthropic resources, and entrepreneurial initiatives is not merely a theoretical aspiration but an increasingly observable institutional reality within Indonesia's Islamic philanthropic landscape.

Nevertheless, critical analysis of these institutional experiences also reveals several structural challenges that limit the realization of Sustainable *Da'wah*. The first challenge concerns the persistent tension between short-term humanitarian assistance and long-term empowerment strategies. Emergency relief programs frequently produce immediate and highly visible outcomes, making them attractive to both donors and philanthropic organizations. In contrast, empowerment-oriented initiatives require substantially longer implementation periods before measurable developmental impacts become evident. Consequently, many institutions continue to allocate a significant proportion of philanthropic resources toward consumptive assistance despite recognizing the strategic importance of productive investment. This institutional dilemma reflects a broader governance challenge within Islamic philanthropy: balancing responsiveness to immediate social needs with commitments to sustainable structural transformation. Addressing this challenge requires not only organizational innovation but also changes in donor expectations, institutional performance indicators, and public understanding of philanthropic effectiveness.

A second challenge relates to organizational capacity and institutional readiness. Implementing social entrepreneurship requires competencies that extend well beyond conventional charitable management, including entrepreneurial leadership, strategic planning, financial sustainability, business incubation, impact investment, and cross-sector collaboration. Many Islamic philanthropic institutions were historically established as charitable organizations and therefore continue to operate under governance structures primarily designed for resource distribution rather than enterprise development. Transforming these institutions into empowerment-oriented organizations consequently demands significant investment in human capital, organizational learning, technological capability, and professional management systems. Furthermore, successful implementation increasingly depends upon collaboration among philanthropic organizations, governments, universities, Islamic educational institutions, private enterprises, and local communities. Such multi-stakeholder partnerships strengthen institutional resilience while expanding opportunities for innovation and sustainable community development.

Perhaps the most critical limitation concerns the measurement of social impact. Although numerous Islamic philanthropic institutions claim success in community empowerment, systematic evaluation of long-term outcomes remains relatively limited. Existing assessments frequently emphasize the volume of funds distributed or the number of beneficiaries served, while paying considerably less attention to indicators such as sustained income growth, entrepreneurial survival, institutional resilience, social mobility, or multidimensional well-being (Nicholls, 2006; Mair & Marti, 2006). Consequently, the developmental effectiveness of empowerment programs is often difficult to verify through rigorous empirical evidence. This limitation highlights the need for Islamic philanthropic institutions to adopt more comprehensive impact evaluation frameworks, including approaches such as Social Return on Investment (SROI), Theory of Change, and *Maqāṣid al-Sharīʿah*-based performance measurement. Such evaluation systems would enable organizations to demonstrate not only financial accountability but also the broader social and developmental value generated through entrepreneurial philanthropy.

These practical reflections also identify several promising directions for future research. The conceptual model proposed in this study should be empirically examined through comparative, longitudinal, and mixed-method research designs that investigate how social entrepreneurship influences empowerment outcomes across different Islamic philanthropic institutions. Future studies may evaluate the effectiveness of various entrepreneurial models, identify organizational determinants of successful implementation, and measure their contributions to poverty reduction, institutional sustainability, and community resilience. Furthermore, quantitative validation of the proposed conceptual relationships using structural equation modeling or other advanced analytical techniques would strengthen the explanatory power of the framework. Emerging studies by Bustami

(2026) and Muhammad (2025) have begun exploring this direction, although their empirical scope remains relatively limited. Consequently, the present study provides a theoretical foundation upon which future empirical scholarship can build, ultimately contributing to the development of a more robust evidence base for Sustainable *Da'wah* through Social Entrepreneurship as an emerging paradigm within Islamic economics, Islamic social finance, and faith-based development studies.

CONCLUSION

This study develops a conceptual framework that positions social entrepreneurship as the evolutionary stage of *da'wah bil-ḥāl* within the context of contemporary Islamic social development. The analysis demonstrates that *da'wah bil-ḥāl*, Islamic philanthropy, and social entrepreneurship are not independent paradigms but complementary dimensions of an integrated developmental system. While *da'wah bil-ḥāl* provides the normative and ethical foundation rooted in Islamic values, Islamic philanthropy mobilizes the financial and institutional resources necessary for social intervention, and social entrepreneurship operationalizes these resources through productive and sustainable mechanisms. Building upon this synthesis, the study introduces the Sustainable *Da'wah* through Social Entrepreneurship model, which conceptualizes a sequential pathway from Islamic values to Islamic philanthropy, entrepreneurial innovation, socio-economic empowerment, community self-reliance, collective well-being, and ultimately *falāḥ*. This framework extends the theoretical discourse on contemporary *da'wah* by shifting the focus from charity-based redistribution toward empowerment-oriented development capable of generating enduring social, economic, and spiritual impact.

The proposed framework carries important implications for both scholarship and practice. For Islamic philanthropic institutions, it suggests that philanthropic resources should increasingly be allocated to entrepreneurship-based empowerment initiatives that cultivate productive capabilities, institutional sustainability, and long-term community resilience rather than reinforcing dependency through recurring charitable assistance. For academic research, the study contributes a novel conceptual architecture that bridges the previously fragmented fields of *da'wah bil-ḥāl*, Islamic philanthropy, and social entrepreneurship, thereby enriching the literature on Islamic economics, Islamic social finance, and faith-based development. Nevertheless, this study remains limited by its normative-conceptual design, and the proposed model has not yet been empirically validated. Future research should therefore examine the framework through comparative case studies, longitudinal investigations, and advanced quantitative approaches to assess its explanatory power and practical effectiveness across diverse Islamic philanthropic institutions. Such empirical validation will not only refine the proposed model but also strengthen its contribution as a sustainable paradigm for Islamic community development in the twenty-first century.

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