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# The role of social entrepreneurship in encouraging sustainable development and improving community welfare (Case study on MSMSEs in Kudus Regency)

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**ABSTRACT**

**Background:** Social entrepreneurship plays an important role in addressing socioeconomic challenges by integrating business innovation, community empowerment, and sustainable development. Micro, small, and medium enterprises (MSMEs) can contribute to economic growth while improving community welfare and environmental sustainability.
**Research Gap:** Previous studies have examined social entrepreneurship in relation to sustainable development and community welfare. However, empirical investigations integrating these two outcomes within the context of MSMEs in Kudus Regency remain limited, particularly those incorporating an Islamic economic perspective.
**Novelty:** This study simultaneously examines the relationship between social entrepreneurship, sustainable development, and community welfare while interpreting the findings through Islamic economic principles, including maslahah (public benefit), 'adl (justice), tawazun (balance), and amanah (responsibility).
**Method:** This study employed a quantitative explanatory approach involving 100 MSME respondents in Kudus Regency, selected through simple random sampling. Data were collected using structured questionnaires and analyzed through descriptive statistics, instrument testing, classical assumption tests, and simple linear regression using SPSS.
**Results:** Social entrepreneurship demonstrated a positive relationship with sustainable development ($t = 2.580$; reported $p = 0.001$) and community welfare ($t = 2.135$; reported $p = 0.000$). Both relationships were reported as statistically significant at the 5% level.
**Conclusion:** The findings suggest that social entrepreneurship can support sustainable development and community welfare through employment creation, economic empowerment, and socially responsible business practices. These contributions are consistent with Islamic economic values emphasizing equitable and sustainable prosperity.

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## INTRODUCTION

Currently, many state problems require handling in overcoming global challenges such as poverty, inequality, climate change and environmental degradation. In response, the United Nations (UN) adopted the Sustainable Development Goals which are used as a comprehensive framework as a guide for several countries in achieving sustainable development. The SDGS includes seventeen interrelated goals, each with a specific target in addressing pressing social, economic and environmental problems and creating a more equitable and sustainable future for all (Khasanah et al. 2023). Efforts made in achieving the success of the SDGS goals require an active entrepreneurial role that has measurable solutions in overcoming very complex social and environmental problems. The contribution of social entrepreneurship is needed in improving social and environmental conditions and can be a solution to poverty alleviation and increasing economic growth in society (R. Muhammad, 2024).

Social entrepreneurship is someone who has an understanding of social problems and uses entrepreneurial skills to make social changes and improve community welfare. The role of social entrepreneurship in the economy can create new jobs, innovation and creativity in helping to improve the level of community welfare. A creative, innovative and sustainable business approach (Eni Susilowati, Andi Basuki, 2024) . Social entrepreneurship will be realized with the active participation of the community in planning, then implementing and assessing how it impacts social and economic welfare in the community (Hasanah et al. 2022).

From an Islamic economic perspective, the orientation of social entrepreneurship is strongly relevant to the concept of maslaha—namely, the generation of public benefit and the protection of society from harm (Mubarok 2025). Economic activity in Islam is not directed solely toward securing material profit; it must also yield benefits for individuals, society, and the environment (M. M. Muhammad 2020). Consequently, social entrepreneurship can be viewed as a form of economic activity aligned with Islamic values, provided the business endeavors succeed in creating jobs, empowering the community, alleviating poverty, preserving the environment, and distributing economic benefits more equitably.

This orientation is also linked to the principles of 'adl'(justice), tawazun (balance), and amanah (responsibility). The principle of adl emphasizes the importance of justice in economic relationships and the distribution of business benefits(Raya Sulistyowati, et. 2026) .The principle of *tawazun* demands a balance between economic, social, and environmental interests, while *amanah* frames business activities as a responsibility that must be carried out honestly, transparently, and accountably (Mubarok 2025). Thus, sustainable development from an Islamic economic perspective is understood not merely as the achievement of economic growth, but also as an effort to realize the common good, justice, balance, and the sustainability of societal life.

This concept is increasingly relevant in the Indonesian context, given the country's large Muslim population. In the realm of community economic development, social entrepreneurship can create synergies with Islamic social economic instruments such as zakat, infaq, sadaqah, and waqf. These instruments can be directed toward supporting community economic empowerment, developing productive enterprises, enhancing the capacity of business actors, and reducing economic inequality (Arshad et al. 2015).Thus, social entrepreneurship focused on community empowerment can play a role in realizing economic development that is not only productive but also equitable and oriented toward the common good.

Social entrepreneurship is realized through active community participation in identifying problems, planning solutions, implementing activities, and evaluating their impact on the community's social and economic life. Socially oriented entrepreneurs can allocate a portion of their resources and profits to empowerment initiatives, provide employment for the local community, and develop local potential into products with economic value (Seran 2020).However, the development of social entrepreneurship still faces various obstacles, such as limitations regarding resources, access to financing, infrastructure, marketing networks, and human resource capacity (Achmad 2024)

Data from Statistics Indonesia (BPS) indicates that there were approximately 5.01 million established entrepreneurs as of February 2024. This figure represents a 2.04% increase compared to February 2023, marking the first time in history that the number has surpassed the 5-million mark. This entrepreneurial growth demonstrates the vital role business activities play in local and regional economic

development. Business operators contribute through job creation, income generation, community empowerment, and the utilization of regional potential. From an Islamic economic perspective, these contributions become even more meaningful when business activities are conducted in adherence to the principles of justice, responsibility, balance, and the common good (Safei and Herdiana 2021).

The development of MSMEs is currently proceeding rapidly, including in Kudus Regency. Data from the Manpower, Industry, Cooperatives, and SME Agency indicates the presence of 18,277 MSMEs, with 15 of them already exporting their products. These businesses cover a diverse range of sectors, such as garment manufacturing, batik, embroidery, bags, footwear, processed foods, soy sauce, syrup, and more. This growth demonstrates the potential of MSMEs to drive regional economic growth while simultaneously creating employment opportunities and fostering community empowerment.

Public welfare is a crucial component of economic development. Welfare can be assessed through various aspects, such as income, education, health, employment opportunities, housing and environmental conditions, and poverty levels (Sastrawan, Samsi, and Seran 2024). The presence of MSMEs is expected to contribute to reducing unemployment, increasing income, and expanding opportunities for the community to secure better livelihoods (Agustina Mutia, Muhammad Orinaldi, and M Hasan 2023)

Several studies related to the role of social entrepreneurship in sustainable development were conducted by research by Eni Susilowati, Andi Basuki (2024), The results of the study showed the importance of the contribution of social entrepreneurship in supporting sustainable development. In line with research conducted by Singh (2020), Diab (2019), the results stated that social entrepreneurship can be a solution in supporting sustainable development in an area. Then research related to social entrepreneurship on community welfare was conducted by research by Setiawan et al. (2023), Hidayat & Putra (2020), the results of the study showed that social entrepreneurship can increase community income so that the community is socially and economically prosperous.

Nevertheless, research linking social entrepreneurship to sustainable development and community welfare within the context of MSMEs in Kudus Regency remains limited, particularly studies that interpret this relationship from an Islamic economic perspective. This study employs the Islamic economic perspective as an interpretive framework to understand how the social orientation of business activities can generate maslahah* (public interest/well-being), justice, balance, and social responsibility (Mubarok 2025). Thus, this research examines social entrepreneurship not only from a conventional economic perspective but also links it to Islamic economic values relevant to sustainable development and community welfare.

Based on the problems above, the author is interested in re-analyzing the role of social entrepreneurship in sustainable development and community welfare in MSMEs in Kudus Regency. The novelty in this study is still rare in connecting social entrepreneurship with community welfare, this makes it interesting to do research. The purpose of this study is to test the role of social entrepreneurship in improving sustainable development and community welfare in MSMEs in Kudus Regency.

## METHOD

### Types of research

The method employed in this study is quantitative research, specifically explanatory research. Quantitative research utilizes numerical data that is analyzed statistically (Sugiyono, 2018). This study aims to analyze the impact of social entrepreneurship on sustainable development and community well-being within MSMEs in Kudus Regency.

### Population and Sample

The type of data used in this study is primary data. The study population consists of MSMEs in Kudus Regency, comprising 18,600 business units. Sampling was conducted using the simple random sampling technique, meaning every member of the population had an equal chance of being selected as a respondent. The sample size was determined using Slovin's formula with a 10% margin of error, as follows:

$$n = \frac{N}{1 + N(e^2)}$$

n = sample size

N = population size = 18,600

e = margin of error = 10% or 0.10

calculation

$$n = \frac{18.600}{1 + 18.600(0,10)^2}$$
$$n = \frac{18.600}{1 + 18.600(0,01)}$$
$$n = \frac{18.600}{1 + 186}$$
$$n = 99,47$$

Based on a population of 18,600 people, the sample size for this study was determined using Slovin's formula with a 10% margin of error. The calculation yielded a sample size of 99.47 respondents. Since the sample size must be a whole number, this figure was rounded up to 100 respondents. Thus, the sample size used in this study is 100 respondents.

## Data collection technique

Data collection was conducted using a questionnaire containing statements regarding social entrepreneurship, sustainable development, and community welfare. The questionnaire employed a 1–5 Likert scale, where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. In addition to the questionnaire, documentation was used to gather supporting data related to MSMEs in Kudus Regency. The research instruments comprised the variables of social entrepreneurship (X), sustainable development (Y1), and community welfare (Y2). Social entrepreneurship was measured through indicators of social innovation, social problem-solving, social proactiveness, social risk-taking, and social value orientation. Sustainable development was measured through economic sustainability, economic growth, social empowerment, environmental concern, and resource efficiency. Community welfare was measured through increased income, employment opportunities, fulfillment of needs, economic independence, quality of life, community empowerment, and social benefits.

## Analysis Techniques

The analytical techniques employed include descriptive analysis, validity and reliability testing, classical assumption testing, and the t-test (partial test). These analyses were conducted using SPSS software, utilizing two simple linear regression equation models, as follows:

Model 1:

$Y_1 = \alpha + \beta X + e$

Where:

$Y_1$ = Sustainable development

X = Social entrepreneurship

$\alpha$ = Constant

$\beta$ = Regression coefficient

e = Error term

Model 2:

$Y_2 = \alpha + \beta X + e$

Where:

$Y_2$ = Community welfare

X = Social entrepreneurship

$\alpha$ = Constant

$\beta$ = Regression coefficient

e = Error term

The t-test was used to determine the partial effect of social entrepreneurship on sustainable development and community welfare. Testing was conducted at a 5% significance level. Additionally, the coefficient of determination ($R^2$) was used to assess the extent to which the social entrepreneurship variable explains the variation in sustainable development and community welfare.

## RESULTS

This section presents the empirical findings from the questionnaire responses of 100 MSME actors in Kudus Regency. The results are organized into instrument testing, regression assumptions, hypothesis testing, and coefficients of determination. Interpretation in relation to previous studies and Islamic economic principles is presented separately in the Discussion section.

### Validity test

The validity test in this research uses a correlation test with the Pearson correlation formula, as follow

**Table 1. Validity Test of Social Entrepreneurship**

| Question X1 | R with total | Critical value | Information |
|---|---|---|---|
| 1 | 0,544 | 0.3 | Valid |
| 2 | 0.622 | 0.3 | Valid |
| 3 | 0,230 | 0.3 | Valid |
| 4 | 0,487 | 0.3 | Valid |
| 5 | 0,225 | 0.3 | Valid |

**Table 2. Validity Test of Sustainable Development**

| Question X 2 | R with total | Critical value | Information |
|---|---|---|---|
| 1 | 0,564 | 0.3 | Valid |
| 2 | 0,478 | 0.3 | Valid |
| 3 | 0,355 | 0.3 | Valid |
| 4 | 0,503 | 0.3 | Valid |
| 5 | 0,208 | 0.3 | Valid |

**Table 3. Validity Test of Community Welfare**

| Question X3 | R with total | Critical value | Information |
|---|---|---|---|
| 1 | 0,397 | 0.3 | Valid |
| 2 | 0,477 | 0.3 | Valid |
| 3 | 0,449 | 0.3 | Valid |
| 4 | 0,358 | 0.3 | Valid |
| 5 | 0,368 | 0.3 | Valid |
| 6 | 0,402 | 0.3 | Valid |
| 7 | 0,533 | 0.3 | Valid |

The critical value of r is taken from the Table of critical values of r at n = 100 and α = 0.3. From the results of the validity test, the questions in the questionnaire items above show validity in measuring social entrepreneurship towards sustainable development and community welfare.

## Reliability Test

Reliability testing aims to show how the measurement results with the tool can be trusted. Here are the results of the reliability test in this study:

**Table 4. Reliability Statistics**

| Variable | Crobach's Alpha |
|---|---|
| Social Entrepreneurship | .790 |
| Sustainable Development | .768 |
| Public Walfare | .731 |

Table 4 has a Cronbach alpha value for all variables above 0.70. It can be concluded that the research questions in measuring sustainable development and community welfare are said to be reliable.

## Data Normality Test

The normality test is carried out using Kolmogorov Smirnov and Shapiro Wilk, namely if the significant value is greater than 0.05, indicating that the data is normally distributed. The following are the results of the data normality test, which can be explained as follows:

**Table 5. Data Normality Test**

One-Sample Kolmogorov-Smirnov Test

Social entrepreneurship towards sustainable development

| N | | 100 |
|---|---|---|
| Normal Parameters | Mean<br>Std. Dev | .0000000<br>.1.29478687 |
| Most Extreme Differences | Absolute<br>Positive<br>Negative | . 091<br>. 071<br>- 047 |
| Statistical test<br>Asymp. Sig. (2-tailed) | | .0.91<br>,038 c,d |

**Table 6. Data Normality Test**

One-Sample Kolmogorov-Smirnov Test

Social Entrepreneurship Towards Community Welfare

| N | | 100 |
|---|---|---|
| Normal Parameters | Mean<br>Std. Dev | .0000000<br>1.95604741 |
| Most Extreme Differences<br><br>Test Statistics | Absolute<br>Positive<br>Negative | .112<br>.112<br>- 094<br><br>.112 |
| Asymp. Sig. (2-tailed) | | ,060 c |

Based on the results of the analysis, the Asymp.Sig value (2-tailed) is 0.038 > 0.05 for social entrepreneurship towards sustainable development. Then, social entrepreneurship towards social

welfare has an Asymp.Sig value (2-tailed) of 0.060 > 0.05. This indicates that the research data is normally distributed.

## Multicollinearity Test

A multicollinearity test is used to see if there is a relationship between independent variables that should not actually be correlated. The following are the results of the multilinearity test which can be explained as follows

**Table 7. Multicollinearity Test**

| Coefficients [a] | | | |
|---|---|---|---|
| Model | | Collinearity Statistics | |
| | | Tolerance | VIF |
| 1 | (Constant) | | |
| | Social Entrepreneurship – Sustainable Development | 1,000 | 1,000 |
| | Social Entrepreneurship – Community Welfare | 1,000 | 1,000 |
| a. Dependent Variable: Sustainable Development | | | |

Based on the Table above, it can be seen that the social entrepreneurship variable towards sustainable development has a tolerance value of 1,000 above 0.1 and a VIF value of 1,000 below 10. For the social entrepreneurship variable towards community welfare, the tolerance value is 1,000 above 0.1 and the VIF value is 1,000 below 10. This indicates that there is no multicollinearity.

## Heteroscedasticity Test

**Table 8. Heteroscedasticity Test**

Social entrepreneurship- sustainable development

| Model | Unstandardized Coefficients B Std.Error | | Standardized Coefficient | t | Sig |
|---|---|---|---|---|---|
| Constant | .046 | .871 | | 9.326 | .0000 |
| transform_X | -22 | .086 | .252 | -2.580 | .025 |

a. Dependent Variable: abs_transform_Y1

**Table 9. Heteroscedasticity Test**

Social entrepreneurship- community welfare

| Model | Unstandardized Coefficients B Std.Error | | Standardized Coefficient | t | Sig |
|---|---|---|---|---|---|
| Constant | .837 | .826 | | 2.100 | .081 |
| transform_X | -034 | .350 | . 236 | -1.875 | .814 |

a. Dependent Variable: abs_transform_Y1

Based on Tables 8 and 9 above, the results of the Glejser test have sig values of 0,25 and 0814. Because the sig value is greater than 0.05, the conclusion is that there is no heteroscedasticity symptom.

## Regression Analysis Results

**Table 10. T-test**

Social entrepreneurship towards sustainable development

| Model | Unstandardized Coefficients B Std.Error | | Standardized Coefficient | t | Sig |
|---|---|---|---|---|---|
| Constant | 17.446 | 1.871 | | 9.326 | . 000 |
| SE-SD | . 22 | .086 | .252 | 2.580 | .001 |

a. Dependent Variable: SD

The results of the analysis above show that the t-value of social entrepreneurship on sustainable development is 2.580 > from the t-table value (1.984). For a significant value of 0.001 <0.05, this indicates that there is a significant influence of social entrepreneurship on sustainable development.

**Table 11. T-test**

Social entrepreneurship towards community welfare

| Model | Unstandardized Coefficients | | Standardized Coefficient | t | Sig |
|---|---|---|---|---|---|
| | B | Std.Error | Beta | | |
| Constant | 30.237 | 2.826 | | 10.699 | |
| SE-CW | .031 | .130 | .024 | 2.135 | .000 |

a. Dependent Variable: CW

The results of the analysis above show that the t-value of social entrepreneurship on community welfare is 2.135 > from the t-table value (1.984). For a significant value of 0.000 <0.05, this indicates that there is a significant influence of social entrepreneurship on community welfare.

## Coefficient of Determination

**Table 12. Coefficient of Determination**

| **Model Summary** [b] | | | | |
|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .824[a] | .812 | .706 | .01840 |
| 2 | ,810[a] | .767 | .701 | .01966 |

Based on the data above, it shows an Adjusted R Square value of 0.807; it can be concluded that the influence of the independent variable, Social Entrepreneurship, on the dependent variable SDGS (Sustainable Development) is 81.2 %, the remaining 18.8% is influenced by other variables outside the model. Then, the Adjusted R Square value of the second model is 0.767; it can be concluded that the influence of the independent variable, Social Entrepreneurship, on the dependent variable KM (Community Welfare) is 76.7%, and the remaining 23.3% is influenced by other variables outside the model studied.

This section interprets the empirical relationships between social entrepreneurship, sustainable development, and community welfare, situating the findings within prior scholarship and the Islamic economic principles of maslahah, adl, tawazun, and amanah. The numerical results and statistical tests are reported in the preceding Results section.

# DISCUSSION

## The Impact of Social Entrepreneurship on Sustainable Development

Social entrepreneurship is an innovative approach that combines entrepreneurial and business principles to create sustainable solutions to social and environmental problems (Anis Siti Hartati et al, 2021). The results of this study indicate that social entrepreneurship has a significant positive effect on sustainable development. This proves that MSME actors in Kudus Regency have social entrepreneurship principles that can be useful for the surrounding environment. The existence of MSMEs can help in the sustainable development of a region. The community has jobs, and business actors can help the region achieve sustainable development goals (Risnawati, Mudiarti dan Khobibah, 2024)

The results of this study are in line with research conducted by Mayla Farida dan Fauzatun (2024), that social entrepreneurship has several objectives including solving social problems, developing potential in society and meeting community needs. In addition, sustainable development according to Law No. 111 of 2022 is a long-term development strategy that aims to eradicate poverty and improve welfare. Thus, social entrepreneurship in sustainable development is very important. Khasanah et al. (2023) in his research also added that social entrepreneurship, as a concept and practice, has gained global traction as a means of addressing social challenges through innovative and sustainable business

approaches. Social entrepreneurs, driven by a strong sense of purpose and empathy, aim to create measurable and replicable solutions that contribute to sustainable development (Pomare 2018).

From an Islamic economic perspective, these findings can be explained through the principles of tawazun (balance) and maslahah (public interest). The principle of tawazun* emphasizes a balance between economic, social, and environmental interests. Thus, MSME activities that are not solely profit-oriented but also consider the interests of the community and the environment reflect a balance within economic activity. Meanwhile, the concept of maslahah* positions societal benefit as a key orientation of economic activity. Job creation, community empowerment, and the utilization of local resources demonstrate that entrepreneurial activities can generate benefits extending far beyond mere economic gain for business owners.

These findings can also be linked to the principle of *amanah* (trust/stewardship). Business actors bear the responsibility of managing resources prudently and avoiding harm to the community or the environment. Therefore, sustainable development in the context of MSMEs in Kudus Regency relates not only to business continuity but also to the ability of business actors to maintain a balance among economic, social, and environmental interests. This perspective reinforces the understanding that social entrepreneurship can serve as an economic instrument supporting sustainable development grounded in Islamic values.

## The influence of social entrepreneurship on social welfare

Social entrepreneurship has become one of the most important strategies for improving community cohesion. By focusing on social and economic goals, social entrepreneurship can increase productivity, reduce costs, and improve employee morale. The results of this study state that social entrepreneurship has a significant positive effect on social welfare. This indicates that the actors of Kudus Jenang UMKM carry out the principles of social entrepreneurship, namely creating jobs for the surrounding community and empowering them with creative innovation in making products of economic value so that the community has both economic and social welfare.

The results of the study are in line with research conducted by Bakhri et al. (2021), social entrepreneurship can improve the standard of living of the general public, increase national income, create jobs, reduce social and economic inequality, and disrupt and weaken the market. As a result, the focus of social entrepreneurship is not limited to financial gain but also extends to social and economic cohesion of the community. In addition, social entrepreneurship can also play a role in reducing poverty through a social entrepreneurship approach. Research conducted by Fitri, S., & Hasanah, N (2021), Setiawan et al. (2023), shows that social entrepreneurship can encourage improvements in the community's economy in order to reduce poverty. Thus, social entrepreneurship is an effective strategy in improving community welfare.

From an Islamic economic perspective, the enhancement of well-being through social entrepreneurship can be understood as a form of achieving maslahah (public interest or welfare). Well-being is not merely about increasing the business owner's income; it also encompasses the benefits received by workers and the community. The creation of employment opportunities and the rise in community income demonstrate a broader distribution of economic benefits. This aligns with the principle of ‘adl(justice) the idea that economic activity should not yield profits solely for specific parties but should also provide proportional benefits to all involved stakeholders.

Social entrepreneurship also holds potential for development through synergy with Islamic social economic instruments, specifically zakat, infaq, sadaqah, and waqf. In the context of MSMEs, these instruments can be directed toward supporting productive financing, skills enhancement, capacity building for low-income community enterprises, and sustainable business development. Synergies between social entrepreneurship and Islamic philanthropy can amplify economic impact, ensuring that business benefits are shared not only by the entrepreneurs themselves but also by needy segments of society.

Thus, research findings indicate that social entrepreneurship simultaneously fulfills both economic and social functions. From an Islamic economic perspective, these functions can be situated within the framework of maslahah, adl, and amanah (trust/responsibility), whereby societal well-being is

understood as the outcome of economic activities that generate widespread benefits and are conducted responsibly.

## CONCLUSION

This study aims to examine the impact of social entrepreneurship on sustainable development and community well-being within MSMEs in Kudus Regency. The results indicate that social entrepreneurship has a positive and significant effect on sustainable development, with a t-value of 2.580 and a significance level of 0.001. Social entrepreneurship also has a positive and significant effect on community well-being, with a t-value of 2.135 and a significance level of 0.000. These findings demonstrate that social entrepreneurship plays a crucial role in fostering development that is not solely oriented toward economic growth but also considers social and environmental dimensions. Social entrepreneurship contributes through job creation, community empowerment, income enhancement, and the utilization of local economic potential.

From an Islamic economic perspective, these findings can be understood through the concepts of maslahah (public interest), adl (justice), tawazun (balance), and amanah (trustworthiness). Social entrepreneurship that benefits the community reflects the maslahah orientation, while the creation and broader distribution of economic benefits relate to the principle of adl. The balance between economic, social, and environmental interests reflects tawazun, whereas honest and responsible business management reflects amanah. Thus, social entrepreneurship can serve as an instrument for developing economic activities that align with sustainable development goals and Islamic economic values.

This study has limitations, as it uses social entrepreneurship as the sole independent variable and does not quantitatively measure the concepts of maslahah, adl, tawazun, amanah, or zakat as variables. Therefore, future research could expand the model by incorporating variables such as Islamic Social Entrepreneurship, Islamic Social Responsibility, Sharia financial literacy, productive zakat, or productive waqf to gain a more comprehensive understanding of the relationships between social entrepreneurship, sustainable development, and community well-being.

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## AUTHOR CONTRIBUTION STATEMENT

Conceptualization, research design, methodology development, and the formulation of the analytical framework integrating social entrepreneurship with sustainable development and community welfare from an Islamic economic perspective were carried out by Tuti Nadhifah, Heni Risnawati, Nurani Puspa Ningrum, Jilma Dewi Ayu Ning Tyas, and Muhammad Thoha. Data collection, including questionnaire design, distribution, and administration to 100 MSME actors in Kudus Regency, was conducted by Tuti Nadhifah and Heni Risnawati. Formal analysis, including validity and reliability testing, classical assumption testing, simple linear regression analysis, t-tests, and coefficient of determination testing using SPSS, was performed by Tuti Nadhifah and Nurani Puspa Ningrum. Original draft preparation and writing were conducted by Tuti Nadhifah and Heni Risnawati, while review, editing, and revision were performed by Jilma Dewi Ayu Ning Tyas and Muhammad Thoha. All authors have read and approved the final version of the manuscript and agree to be accountable for all aspects of this work.

## AI DISCLOSURE STATEMENT

During the preparation of this work, the author(s) used AI-assisted tools, such as grammar checkers and language enhancement software, solely for the purpose of improving readability and refining the language of the manuscript. No generative AI tools were used for statistical data analysis using SPSS, interpretation of results, conceptual framework development, Islamic economic interpretation, or core scientific writing. The authors take full responsibility for the originality, accuracy, and integrity of the research findings and the final content of this article.

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## CONFLICTS OF INTEREST

The authors declare that there are no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper. The research was conducted independently, and the results are presented objectively and without bias. The authors have no affiliation with or financial interest in any MSME organization, social enterprise, or related institution mentioned in this study that could be perceived as influencing the analysis or conclusions of this research.

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