
UNDERSTANDING THE CONCEPT OF COMMUNITY-BASED ENTREPRENEURSHIP: A SYSTEMATIC REVIEW APPROACH

FATIMAH HASSAN^{1*}, NORZIANI DAHALAN^{2*}, MOHD FAIZ HILMI³,
MASTURA JAAFAR⁴

^{1,2,3}School of Distance Education, Universiti Sains Malaysia, 11800 USM, Penang,
Malaysia

⁴School of Housing Building and Planning, Universiti Sains Malaysia, 11800 USM,
Penang, Malaysia

1hfatihah@usm.my 2norziani@usm.my 3faiz@usm.my 4masturaj@usm.my

Corresponding author:

Fatihah Hassan*

Norziani Dahalan*

School of Distance Education, Universiti Sains Malaysia, 11800 USM, Penang,
Malaysia

hfatihah@usm.my

norziani@usm.my

Abstract:

Community-based entrepreneurship is a growing concept in entrepreneurship research, which capitalises on the demand for community participation in any enterprise development. However, there are many misconceptions from the previous researchers regarding the terms' definition and influencing factors. This paper aims to understand community-based entrepreneurship concepts and add value to the current literature in an academic context. This paper employed secondary data resources from 2010 until 2020. Four scientific databases are selected as an appropriate database, and the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) method was employed as the basic method for conducting this review. Based on 14 articles which were reviewed thoroughly and systematically, this paper found the definition of community-based entrepreneurship and summarised two main factors that influenced the success of community-based entrepreneurs. Overall, this systematic review provides a good platform for further research by identifying the research needs in community-based entrepreneurship.

Keywords: Community-based entrepreneurship, entrepreneurship, community, systematic review, PRISMA Method

INTRODUCTION

The study of entrepreneurship and community development has been an emerging area for researchers recently. Entrepreneurship continues to be a trending topic in the academic literature due to an increasing attraction with many contributions of entrepreneurs to the broader economy and community (Fortunato & Alter, 2015). The link between entrepreneurs and communities has also become a new area in entrepreneurship research (Pinheiro et al., 2020). The perspective builds by researchers on observing the culture, state and local policy, social networks, physical infrastructure as well as a level of social interaction influence entrepreneurial behaviour (Varady et al., 2015). Moreover, the growth in the literature seeks to understand community-based entrepreneurship concepts in detail that benefit their communities and communities enhance the entrepreneurship.

The importance of entrepreneurship started to be recognized as an element of promoting economic growth in the world. Entrepreneurship is defined as the concept that refers to an individual's ability to put into practice an idea having some quality such as risk taking, creativity and innovation to plan and manage the activities to fulfil the proposed goals (Sergiu Rusu, 2012). Entrepreneurship, as an economic development strategy, needs to focus on the relationship and community development. The development of entrepreneurship impacts entrepreneurs to improve their strategies to sustain in the competitive world (Jaafar et al., 2014). The entrepreneurs play a crucial role in the business growth and creation, however, is limited in the culture and relationship of communities (Gurău & Dana, 2018; Smith, 2012). Therefore, it is clear that entire communities are capable of supporting entrepreneurship (Fortunato & Alter, 2015). Despite extensive research on community-based entrepreneurship, the issue of factors influencing community-based entrepreneurship and its complexity is raised. The core concept to understand entrepreneurship at the community level is often overlooked (Jaafar et al., 2020; Pinheiro et al., 2020). In fact, the effort to systematically review the recent community-based entrepreneurship studies is relatively scarce. The definition of community-based entrepreneurship is varied and mostly unclear (Gurău & Dana, 2018; Purusottama et al., 2018; Sankaran & Demangeot, 2017), which confuse the researchers and academicians. Working on this gap, this paper decided to conduct a systematic review to understand the concepts of community-based entrepreneurships.

This review supported previous work by adopting a systematic procedure in searching and retrieving recent publications to ensure transparency with an extensive research area in community-based entrepreneurship. The articles' selection is based on inclusion and exclusion criteria restricted to reduce research bias and presents more accurate results to achieve the research objective. In addition, this paper contributes to the current literature by systematically reviewing suitable and relevant articles based on systematic procedures from keywords identification to articles eligibility analysis (Moher et al., 2015). Community-based entrepreneurship has been defined differently and as a result, it can stimulate different interpretations in the concepts (Argyrou & Hummels, 2019; Galappaththi et al., 2017; Gurău & Dana, 2018; Jaafar et al., 2020). Hence, for its usability, various studies have been published in the context of entrepreneurship at the community level. Thus, the main objective of this paper is to understand the concepts of community-based entrepreneurship which have

been employed concerning various fields for determining its trend, factors, and effectiveness through conducting a systematic review.

The rest of the paper is organized as follows. Section 2 proposes a general description of the proposed method. Therefore, in the research methodology section, this paper explained research questions, inclusion and exclusion criteria, search strategy as well as tools used with details. Section 3 represents the results and analyses that are obtained based on the objectives. The last section of this paper outlines the conclusion, future research, and limitation. This paper employed a systematic review, this the literature review section is omitted because the review will be presented in the results and analyses.

METHODOLOGY

This systematic review was done based on the Preferred Reporting Items for Systematic Reviews and Meta-Analysis (PRISMA) method proposed by (Moher et al., 2009). The best method that can guide authors doing systematic reviews and meta-analyses properly is PRISMA. PRISMA also helps the authors to move in a structured way as a road map (Hutton et al., 2016; Moher et al., 2015). In a systematic review with an accurate and comprehensive investigation, different ideas can be analysed, which are published in the form of traditional articles by various researchers. The essential part is defining the eligibility criteria, which should be selected carefully to describe the hypothesis (Leucht et al., 2009). According to the guidance provided by the PRISMA, the following sections include literature search, identification, screening, and eligibility. Hence, to improve the quality of the process, this paper selected the PRISMA checklist with 27 items. This checklist was designed in response to increase the accuracy of all reviewed articles in this paper. This method is currently known as one of the best standards for reviewers when reporting their results (Moher et al., 2015).

Literature search

In this step, four famous scientific databases were selected as appropriate databases which were searched to find relative articles based on research questions. Research questions for this paper are (1) How researchers defined community-based entrepreneurship? (2) What are the related terms used by researchers to represent community-based entrepreneurship? and (3) What are the factors and issues that influence the success of community-based entrepreneurship? The search for systematic reviews was performed on Web of Science, Science Direct, Emerald Insight, and Google Scholar. The databases are widely accepted among researchers in the entrepreneurship and business area. The use of more than one database was recommended to increase the likelihood of obtaining appropriate and relevant articles (Bramer et al., 2017).

Identification

The first step in the systematic review process is identification. This step is to determine the right keywords and develop the search string. According to the defined research question and final objective, the literature search was completed by utilizing the keywords, including “community-based entrepreneurship”, “community enterprise”, “local community,” and

Database	Search strategy	Articles
Web of Science	TITLE-ABS-KEY ("community-based entrepreneurship") AND (LIMIT-TO (PUBYEAR , 2010 - 2020) AND (LIMIT-TO (DOCTYPE , "ar")) AND (LIMIT-TO (LANGUAGE , "English")))	21
Science Direct	Pub-date(2010-2020) and Title("community-based entrepreneurship") and (Article-type:Research articles)	13
Emerald Insight	[Anywhere "community-based entrepreneurship"] AND [(content-type: article)]	38
Google Scholar	"community-based entrepreneurship" AND ("2010-2020") AND "tourism" anywhere in articles	275
Total		347

Table 1. Search strategy in a different database

"community entrepreneurship". Published studies were searched and identified using a search strategy developed by reviewers. The search strategy was written for each database separately, which is shown in Table 1. The articles were searched from January 2010 until October 2020. As a result, based on the search strategy, 347 records were retrieved.

Screening

The screening process was conducted by determining the inclusion and exclusion criteria with the aim to remove any duplicate or irrelevant article which has been represented in Table 2. All articles were reviewed and at this point, out of 347 articles, 147 articles were removed. According to exclusion criteria, eligible articles were selected, and the book chapters, thesis, brief reports and non-English papers were removed. The researchers selected a number of inclusion criteria such as subject area, document type, years, source type, and language and access type as the search formations. Overall, 50 articles matched inclusion criteria that are relevant to the question of this systematic review.

Criteria	Inclusion	Exclusion
Years	2010 – 2020	Publications before 2010
Source type	Journals	Other than journals
Document type	Articles	Other than articles
Subject area	Business, Management, Social Sciences	Other than Business, Management, Social Sciences
Language	English	Non-English
Access type	Open access	Other than open access

Table 2. Inclusion and exclusion criteria for selecting eligible articles.

Eligibility

Finally, in the last steps, researchers examined the full text of 50 articles to achieve the final collection of studies that will contribute to the review. The included articles were completely examined to extract and summarize importantly, the required information with the aim of answering the main research question. The articles are precisely selected based on determined criteria as decided earlier and were reviewed carefully one by one. There are 36 articles were rejected since this paper focused on the concept of community-based entrepreneurship. In the final part, 14 articles were found to be ready and relevant for further analysis, as illustrated in Figure 1. The PRISMA method and choosing the proper articles took a lot of time. Still, with the method's specific structured nature, it is ensured that the most suitable and relevant articles related to the main subject of this systematic review have been selected.

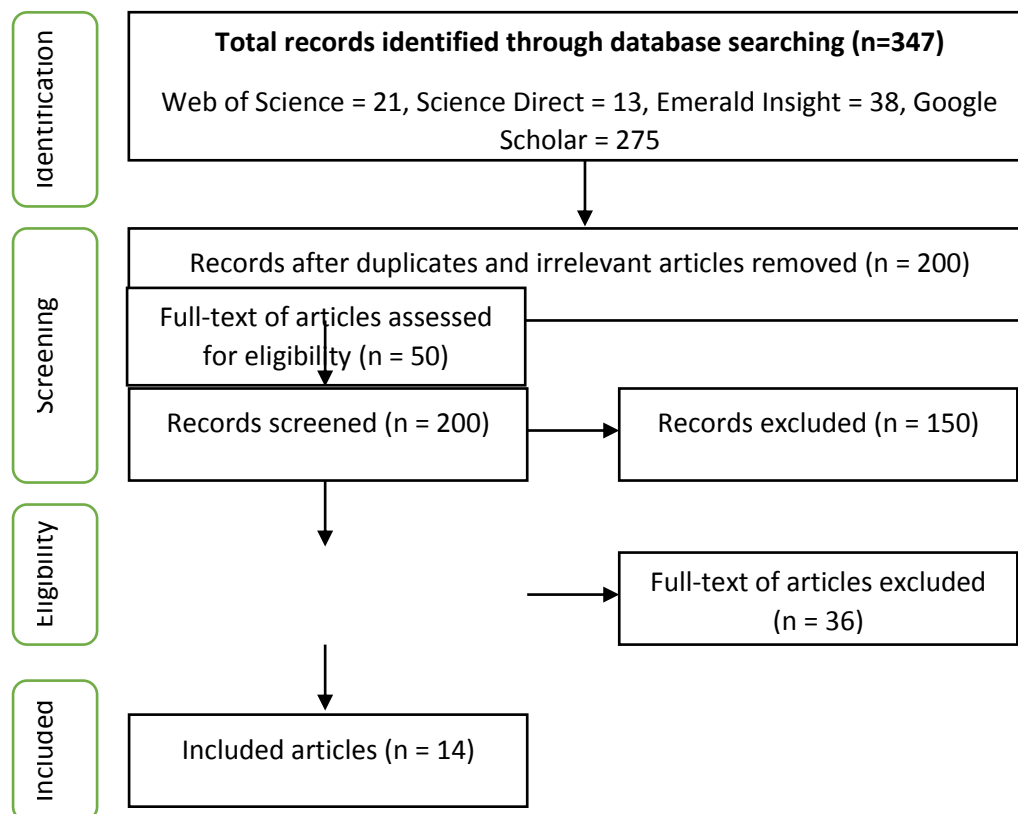


Figure 1. PRISMA diagram for the identification, screening, eligibility, and included articles.

RESULTS AND DISCUSSION

In this section, the findings and results of the analysis and synthesis of related articles are represented in detail. With conducting this systematic review, this paper anticipates the concepts of community-based entrepreneurship in detail and gives a broader overview.

Definition the concept of community-based entrepreneurship

The concept of community-based entrepreneurship is a relatively innovative research area in which definitions and boundaries are in development and debate. Since there are many limitations regarding the concept of community-based entrepreneurship, this section discusses the most important part to describe community-based entrepreneurship which is the

definition. Out of 14 articles, four articles provide a detailed explanation of community-based entrepreneurship (Galappaththi et al., 2017; Gurău & Dana, 2018; Murphy et al., 2020; Parwez, 2017). The basic principle of community-based entrepreneurship has been described as a group approach, mutual trust, and motivation toward solving individual problems in economic activities (Parwez, 2017). Gurau & Dana (2018) considers community-based entrepreneurship as one expression of local entrepreneurship based on environmental stewardship, social responsibility, collective action, and traditional values of mutual support. Moreover, Galappaththi et al. (2017) has described three main characteristics of community-based entrepreneurship, which are 1) available community skills, 2) involves multiple goals and intentions, and 3) community participation. In Murphy et al. (2020), the concept of community-based entrepreneurship recognizes the diverse motives of entrepreneurial phenomena within and outside of the communities in a broader range of contexts. Therefore, it is widely accepted in layman's words that the concepts of community-based entrepreneurship reflect the entrepreneurship environments in the context of community-based which involves skills, resources, motivation as well as government policy. Personal networking that influence local venturing processes and regional development has encouraged the community-based entrepreneurship.

Similar terms to represent community-based entrepreneurship

The relationship between communities and entrepreneurs has emerged as a inventive frontier in entrepreneurship research recently (Fortunato & Alter, 2015; Paul & Shrivastava, 2015; Varady et al., 2015). However, the terms used by previous researchers are interchangeably such as community enterprise, entrepreneurial communities, community-based enterprise, community entrepreneurship and local entrepreneurs. Over time, the researchers attempt to create restrictions against these overlapping terms. The concept of community entrepreneurship has been proposed by (Argyrou & Hummels, 2019; Gurău & Dana, 2018; Smith, 2012). The studies tend to focus on social entrepreneurship among the communities' critical elements to entrepreneurial actions. Community-based enterprise or community enterprise has been introduced recently by previous studies (Jaafar et al., 2020; Paul & Shrivastava, 2015; Pinheiro et al., 2020; Wanniarachchi et al., 2020). Community-based enterprises (CBEs) focus on the symbiotic relationship that different people and organizations are mutually dependent on and the creation of social value for the community in the long term (Pinheiro et al., 2020). Moreover, the current term which has been used and accepted by most researchers is community-based entrepreneurship (Galappaththi et al., 2017; Murphy et al., 2020; Parwez, 2017; Purusottama et al., 2018; Sankaran & Demangeot, 2017). Therefore, the terms used to represent community-based entrepreneurship are multidimensional and diverse in approaches which may be viewed as routes and directions for promoting entrepreneurship in the communities.

Factors influencing community-based entrepreneurship

Community-based entrepreneurship is an underdeveloped phenomenon and still growing. Community-based entrepreneurship involves cooperative and collaborative relationships and activities in which resources are combined into the co-creation of beneficial value for stakeholders. Therefore, two influencing factors that contribute to community-based

entrepreneurship success are summarized as internal factors and external factors. Based on the previous studies, internal factors and external factors have become the significant issues that have been highlighted as the factors influence community entrepreneurship (Argyrou & Hummels, 2019), as shown in Table 3. Several factors such as self-determination, attitudes, and entrepreneurship skills are among the internal factors that contribute to the success of entrepreneurship among the community (Gurău & Dana, 2018; Jaafar et al., 2014; Murphy et al., 2020; Pinheiro et al., 2020). Personal opportunities in community-based entrepreneurship have been lacking, which need to be tackled to help local economies (Galappaththi et al., 2017; Paul & Shrivastava, 2015; Smith, 2012). On the other hand, several external factors such as lack of government support and supervision, as well as lack of financial incentives, has become the major problem of community-based entrepreneurship (Argyrou & Hummels, 2019; Jaafar et al., 2014; Paul & Shrivastava, 2015; Zhang et al., 2020). Without having good support from public or private bodies to implement entrepreneurship at the community level, the development and implementation will be challenging to achieve (Wanniarachchi et al., 2020). Meanwhile, access to social networks and social capitals are important external factors for community-based entrepreneurship (Galappaththi et al., 2017; Sankaran & Demangeot, 2017). The advancement of new technologies nowadays gives the community benefits to expand and improve their business through an online platform. In addition, internal factors and external factors play an important role in the success of community-based entrepreneurship.

Table 3. Previous work on factors influencing community-based entrepreneurship

Previous studies	Issues in community-based entrepreneurship	
	<i>Internal factors</i>	<i>External factors</i>
(Smith, 2012)	lack of individual opportunity social stagnation social disintegration	environmental degradation economic crises political involvement
(Jaafar et al., 2014)	no knowledge of financial facilities limited assistance lack of community support personal discouragement	weak in networking and training government support
(Paul & Shrivastava, 2015)	entrepreneurial attitude pro-active personality	cultural change government support
(Sankaran & Demangeot, 2017)	resilience and entrepreneurship understanding promotion of self-reliance, self-governance	virtual community engagement forms of social capital
(Parwez, 2017)	requisite entrepreneurial skills mutual cooperation trust in others	lack of existing capacities at individual levels and groups multiplicity of local needs lack of community affiliation
(Galappaththi et al.,	lack of individual opportunity	lack of capacities at multiple

2017)	less entrepreneurial skills	levels network of community cooperatives
(Purusottama et al., 2018)	attitude factors influence entrepreneurs	lack of incentives for rural micro enterprises
(Gurău & Dana, 2018)	self-determination real-time action adaptive initiatives and activities	resources unavailable environmental issues lack of government support
(Zhang et al., 2020)	high emotional attachment to the community	lack of government supervision
(Argyrou & Hummels, 2019)	social culture self-determination mutual enhancement	environmental issue economic development
(Wanniarachchi et al., 2020)	lack of training lack of personal opportunities less entrepreneurial skills	less financial support
(Murphy et al., 2020)	self-determination mutual cooperation understanding entrepreneurship skills	climate change economic development
(Jaafar et al., 2020)	self-determination local-self identity trust in others mutual cooperation	social networks government support social capitals
(Pinheiro et al., 2020)	level of mobility (location) traditional practices attitudes towards self-work collaborative work	access to social and economic networks government support

CONCLUSION

This review highlights the paucity of existing literature. The focus on different aspects of community-based entrepreneurship varied between studies. Many studies used a case study to represent the factors related to community or local in handling their enterprise or business. The concept of community-based entrepreneurship is defined in a variety of ways to represent the objectives of the studies. A large number of studies included in this review were used different terms associate with community-based entrepreneurship, including local entrepreneurship, community entrepreneurship, and community-based enterprise (Murphy et al., 2020; Pinheiro et al., 2020; Smith, 2012; Zhang et al., 2020). With the different terms used to represent community-based entrepreneurship, the concept and understanding of entrepreneurship at the community level is not slightly different. Many studies did not consider the availability of local resources in their community for improving the business. The resource such as raw materials and food suppliers is very important to meet the

community's need and demand to achieve their business goals. Therefore, the problems for the internal factors and external factors should be tackled and enhanced. The future direction of community-based entrepreneurship research needs to focus on those themes.

This review helps to further understanding of community-based entrepreneurship. Understanding the definition and identifying related terms about community-based entrepreneurship is important to improve the concepts. Moreover, exploring the factors influencing community-based entrepreneurship is a vital step towards a successful program and development. This review demonstrated several factors that can have an internal and external impact on the entrepreneurs at the community level. Intervention through local community development organizations and rural development programs based on social, physical, and environmental aspects to be most promising, but more research is needed to establish strong community-based entrepreneurship.

ACKNOWLEDGEMENT

The authors are grateful for support by Universiti Sains Malaysia and the financial support provided by the Malaysian Ministry of Higher Education, Fundamental Research Grant Scheme (FRGS: 203.PJJAUH.6711749). We thank Noratikah Nordin from School of Computer Sciences, Universiti Sains Malaysia, Penang for assisting us in developing a systematic review using a PRISMA approach.

REFERENCES

1. Argyrou, A., and Hummels, H. (2019) 'Legal personality and economic livelihood of the Whanganui River: A call for community entrepreneurship', *Water International*, Vol. 44, No. 6–7, pp. 752–768.
2. Bramer, W. M., Rethlefsen, M. L., Kleijnen, J., and Franco, O. H. (2017), 'Optimal database combinations for literature searches in systematic reviews: A prospective exploratory study', *Systematic Reviews*, Vol. 6, No. 1, pp. 245.
3. Fortunato, M. W.-P., and Alter, T. (2015) 'Community entrepreneurship development: An introduction', *Community Development*, Vol. 46, No. 5, pp. 444–455.
4. Galappaththi, I. M., Galappaththi, E. K., and Kodithuwakku, S. S. (2017) 'Can start-up motives influence social-ecological resilience in community-based entrepreneurship setting? Case of coastal shrimp farmers in Sri Lanka', *Marine Policy*, Vol. 86, pp. 156–163.
5. Gurău, C., and Dana, L.-P. (2018) 'Environmentally-driven community entrepreneurship: Mapping the link between natural environment, local community and entrepreneurship', *Technological Forecasting and Social Change*, Vol. 129, pp. 221–231.
6. Hutton, B., Catalá-López, F., and Moher, D. (2016) 'The PRISMA statement extension for systematic reviews incorporating network meta-analysis: PRISMA-NMA', *Medicina Clínica (English Edition)*, Vol. 147, No. 6, pp. 262–266.
7. Jaafar, M., Dahalan, N., and Asma Mohd Rosdi, S. (2014) 'Local Community Entrepreneurship: A Case Study of the Lenggong Valley', *Asian Social Science*, Vol. 10, No. 10, pp. 226.

8. Jaafar, M., Md Noor, S., Mohamad, D., Jalali, A., and Hashim, J. B. (2020) 'Motivational factors impacting rural community participation in community-based tourism enterprise in Lenggong Valley, Malaysia', *Asia Pacific Journal of Tourism Research*, Vol. 25, No. 7, pp. 799–812.
9. Leucht, S., Kissling, W., and Davis, J. M. (2009) 'How to read and understand and use systematic reviews and meta-analyses', *Acta Psychiatrica Scandinavica*, Vol. 119, No. 6, pp. 443–450.
10. Moher, D., Liberati, A., Tetzlaff, J., Altman, D. G., and The PRISMA Group. (2009) 'Preferred Reporting Items for Systematic Reviews and Meta-Analyses: The PRISMA Statement', *PLoS Medicine*, Vol. 6, No. 7, pp. e1000097.
11. Moher, D., Shamseer, L., Clarke, M., Ghersi, D., Liberati, A., Petticrew, M., Shekelle, P., and Stewart, L. A. (2015) 'Preferred reporting items for systematic review and meta-analysis protocols (PRISMA-P) 2015 statement', *Systematic Reviews*, Vol. 4, No. 1, pp. 1-14.
12. Murphy, M., Danis, W. M., Mack, J., and Sayers, J. (2020) 'From principles to action: Community-based entrepreneurship in the Toquaht Nation', *Journal of Business Venturing*, Vol. 35, No. 6, pp. 106051.
13. Parwez, S. (2017) 'Community-based entrepreneurship: Evidences from a retail case study', *Journal of Innovation and Entrepreneurship*, Vol. 6, No.1, pp. 14.
14. Paul, J., and Shrivastava, A. (2015) 'Comparing entrepreneurial communities: Theory and evidence from a cross-country study in Asia', *Journal of Enterprising Communities: People and Places in the Global Economy*, Vol. 9, No. 3, pp. 206–220.
15. Pinheiro, S., Granados, M. L., and Assunção, M. (2020) 'Local incentive structures and the constitution of community-based enterprises in the forest', *World Development Perspectives*, Vol 20, pp. 100243.
16. Purusottama, A., Trilaksono, T., and Soehadi, A. W. (2018) 'Community-Based Entrepreneurship: A Community Development Model to Boost Entrepreneurial Commitment in Rural Micro Enterprises', *Mix: Jurnal Ilmiah Manajemen*, Vol. 8, No. 2, pp. 429.
17. Sankaran, K., and Demangeot, C. (2017) 'Conceptualizing virtual communities as enablers of community-based entrepreneurship and resilience', *Journal of Enterprising Communities: People and Places in the Global Economy*, Vol. 11, No. 1, pp. 78–94.
18. Sergiu Rusu. (2012) 'Entrepreneurship and entrepreneur: A review of literature concepts', *African Journal of Business Management*, Vol. 6, No. 10.
19. Smith, R. (2012) 'Developing and animating enterprising individuals and communities: A case study from rural Aberdeenshire, Scotland', *Journal of Enterprising Communities: People and Places in the Global Economy*, Vol. 6, No. 1, pp. 57–83.
20. Varady, D., Kleinhans, R., and van Ham, M. (2015) 'The potential of community entrepreneurship for neighbourhood revitalization in the United Kingdom and the United States', *Journal of Enterprising Communities: People and Places in the Global Economy*, Vol. 9, No. 3, pp. 253–276.

21. Wanniarachchi, T., Dissanayake, K., and Downs, C. (2020) 'Improving sustainability and encouraging innovation in traditional craft sectors: The case of the Sri Lankan handloom industry', *Research Journal of Textile and Apparel*, Vol. 24, No. 2, pp. 111–130.
22. Zhang, Y., Chan, J. H., Ji, Z., Sun, L., Lane, B., and Qi, X. (2020) 'The influence of community factors on local entrepreneurs' support for tourism', *Current Issues in Tourism*, Vol. 23, No. 14, pp. 1758–1772.