

Proposing A Conceptual Model for Asnafpreneur Success: Social Networks and Resource Dependence in Low-Income Regions

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ABSTRACT

This paper proposes a conceptual model integrating Social Network Theory (SNT) and Resource Dependence Theory (RDT) to examine the business performance of Asnafpreneurs—entrepreneurs from marginalized communities supported by zakat—in low-income regions. While Asnafpreneurs frequently rely on social networks to access resources, they face significant challenges, including limited network diversity and heavy dependency on external actors like zakat institutions for financial and operational support. The model presented in this study aims to demonstrate how optimizing social networks can help reduce resource dependency and improve business outcomes, such as revenue growth, sustainability, and entrepreneurial autonomy. To guide future empirical validation, the paper suggests a mixed-methods approach, combining qualitative insights from in-depth interviews with quantitative measures, including social network analysis and structural equation modeling, to test the proposed relationships. This approach provides a roadmap for assessing the impact of social networks on business performance and understanding the mediating role of resource dependency. The findings contribute to the theoretical development of SNT and RDT by extending their application to marginalized entrepreneurship within a faith-based context. The paper also offers practical implications for policymakers and zakat institutions, providing strategies for designing more effective entrepreneurial support programs aimed at empowering Asnafpreneurs in low-income communities.

Keywords: asnafpreneur, social network, resource dependence, marginalized community

INTRODUCTION

Entrepreneurship has emerged as a key strategy for addressing poverty in low-income communities by creating employment opportunities, fostering economic growth, and promoting self-reliance. However, marginalized entrepreneurs, particularly those from underprivileged groups such as the Asnaf, face unique challenges in sustaining their businesses. Asnafpreneurs are individuals who receive financial support through zakat, an Islamic charitable fund, yet many struggle to leverage this support to achieve long-term business success. These challenges are especially pronounced in low-income regions, where access to resources, social networks, and institutional support is often limited (Ghafar et al., 2017; Hardi et al., 2022).

Existing research highlights the importance of social networks in entrepreneurship, particularly in enhancing resource access, information flow, and business performance (Audretsch et al., 2021; Porras-Paez & Schmutzler, 2019). Social Network Theory (SNT) emphasizes the role of relationships in facilitating the exchange of resources and knowledge, which are crucial for entrepreneurial success (Liu et al., 2017). Simultaneously, Resource Dependence Theory (RDT) focuses on how individuals and organizations must navigate external dependencies on key resources, often controlled by powerful entities (Hillman et al., 2009). However, few studies have explored how these theories interact in the context of marginalized entrepreneurs in low-income areas, particularly within the framework of religious charitable support systems such as zakat.

Despite the proliferation of zakat-based entrepreneurship programs in Malaysia aimed at empowering Asnafpreneurs, many still face barriers to sustaining and growing their businesses. These barriers are often linked to limited access to robust social networks and resource dependencies that are difficult to navigate in low-income

contexts (Moradi et al., 2020). This creates a critical gap in the literature, as there is limited understanding of how Asnafpreneurs can effectively optimize their social networks to overcome resource constraints and improve business outcomes.

The objective of this paper is to propose a conceptual model that integrates Social Network Theory (SNT) and Resource Dependence Theory (RDT) to address these challenges. The model aims to demonstrate how Asnafpreneurs in low-income regions can strategically utilize their social networks to reduce resource dependencies and enhance their business performance. This study contributes to the literature by offering a novel framework that not only contextualizes SNT and RDT within marginalized, faith-based entrepreneurial settings but also provides practical insights into optimizing entrepreneurial support for vulnerable communities.

By developing this conceptual model, the paper seeks to provide a theoretical foundation that can guide future empirical research and inform the design of entrepreneurship support programs within zakat institutions and other community-based frameworks. The proposed model will help address the persistent issues of poverty and resource scarcity among Asnafpreneurs, ultimately contributing to broader efforts in poverty alleviation and economic empowerment in Malaysia and beyond. In the following sections, we will explore the literature on Asnafpreneurship, critically discuss the application of SNT and RDT in marginalized entrepreneurial contexts, and present a conceptual model aimed at enhancing business performance through optimized social networks.

LITERATURE REVIEW

Asnafpreneurship and Poverty Alleviation

Poverty remains a significant challenge in Malaysia, despite various government policies and programs aimed at poverty eradication. The introduction of the Asnafpreneurship program—an entrepreneurial initiative targeting the Asnaf, or underprivileged groups supported by zakat (Islamic charitable donations)—has been one of the most recent attempts to address this issue. Zakat institutions fund Asnafpreneurs, providing them with resources and training to enable them to start and sustain businesses (Hardi et al., 2022; Ghafar et al., 2017).

Research indicates that while Asnafpreneurship has successfully increased income and improved the quality of life for some participants, many still struggle to sustain their businesses, particularly in low-income regions (Meerangani & Azman, 2019). Asnafpreneurs in wealthier areas have demonstrated greater success, largely attributed to better access to resources and information. Conversely, those in low-income regions face barriers such as limited access to capital, weaker institutional support, and inadequate infrastructure (Hardi et al., 2022; Ghafar et al., 2017).

The disparities between urban and rural entrepreneurial outcomes underscore the need for further research on the factors that contribute to or hinder Asnafpreneurs' success, especially in economically disadvantaged regions. This research aims to address the gap by proposing a conceptual model to improve business outcomes for Asnafpreneurs through better utilization of social networks.

Entrepreneurship in Low-Income and High-Income Regions

The literature on entrepreneurship suggests significant differences between low-income and high-income regions in terms of access to resources, infrastructure, and institutional support (Audretsch et al., 2021). Entrepreneurs in high-income regions tend to have access to better financial services, stronger regulatory frameworks, and more extensive training programs, which contribute to higher business success rates (Krieger et al., 2018).

In contrast, entrepreneurs in low-income regions often face substantial challenges, including limited access to formal financial services, weak institutional support, and inadequate infrastructure. These constraints can lead to high failure rates and slower business growth (Bublitz et al., 2015). Additionally, entrepreneurs in low-income areas are often heavily dependent on informal financial sources such as family and friends, which limits their ability to scale their businesses (Audretsch et al., 2021).

The situation for Asnafpreneurs mirrors these broader entrepreneurial trends. Research shows that Asnafpreneurs

in more affluent regions of Malaysia, such as Selangor and Wilayah Persekutuan, tend to have greater success due to better resource access (Meerangani & Azman, 2019). In contrast, Asnafpreneurs in states like Sabah, Sarawak, and Kedah face structural disadvantages, leading to lower business performance (Hardi et al., 2022). This paper explores how social networks can be optimized to mitigate these challenges and improve entrepreneurial success in low-income regions.

Social Network Theory (SNT) and Marginalized Entrepreneurs

Social Network Theory (SNT) posits that individuals embedded in well-connected networks are more likely to succeed in business due to their access to vital resources, information, and support (Liu et al., 2017). In the entrepreneurial context, social networks serve as critical channels through which entrepreneurs gain access to knowledge, capital, and opportunities (Porrás-Paez & Schmutzler, 2019).

For marginalized entrepreneurs, including Asnafpreneurs, the role of social networks is particularly important. Studies suggest that marginalized entrepreneurs often face exclusion from mainstream financial systems and formal support structures, making informal social networks essential for accessing the resources necessary for business growth (Olinsson, 2017). In low-income regions, where institutional support is weak, these social networks can act as lifelines, providing financial assistance, emotional support, and knowledge sharing (Villanueva-Flores et al., 2021).

However, marginalized entrepreneurs often struggle to build diverse and resource-rich networks. Their networks may be characterized by homophily, where they are connected primarily to others with similar socio-economic backgrounds, limiting their access to broader, more powerful networks (Williams et al., 2017). This paper proposes a model that focuses on optimizing the social networks of Asnafpreneurs to overcome these limitations and improve access to resources.

Resource Dependence Theory (RDT) and Power Dynamics in Entrepreneurship

Resource Dependence Theory (RDT) argues that organizations and individuals must navigate their external environments to acquire essential resources (Hillman et al., 2009). For entrepreneurs, this means managing dependencies on external actors—such as suppliers, investors, or regulators—to secure the resources they need to sustain and grow their businesses.

In the context of Asnafpreneurship, resource dependencies are particularly pronounced. Asnafpreneurs often rely on external actors, such as zakat institutions, for funding, business training, and other forms of support. This reliance can create power imbalances, where the more resource-rich actors hold significant influence over the entrepreneurs (Roundy & Bayer, 2019). These dynamics can restrict the Asnafpreneurs' ability to make independent decisions or expand their businesses beyond the limits imposed by their resource providers.

By integrating RDT with SNT, this study aims to explore how Asnafpreneurs can strategically navigate these dependencies while optimizing their social networks to reduce reliance on external actors. This hybrid approach offers a new lens through which to understand the challenges and opportunities facing marginalized entrepreneurs in low-income regions.

Theoretical Framework

In this paper, we integrate Social Network Theory (SNT) and Resource Dependence Theory (RDT) to develop a conceptual model that addresses the challenges faced by Asnafpreneurs in low-income regions. Both theories provide complementary lenses through which to understand the complexities of entrepreneurship in marginalized communities, particularly in terms of accessing critical resources and leveraging social networks.

Social Network Theory (SNT)

Social Network Theory posits that the relationships individuals or organizations form with others (nodes) provide access to resources, knowledge, and opportunities that can be leveraged for personal or business success (Liu et al., 2017). Entrepreneurs embedded in strong, well-connected networks benefit from better information flows,

access to capital, and emotional support (Porrás-Paez & Schmutzler, 2019).

For marginalized entrepreneurs, including Asnafpreneurs, networks are critical because they often lack formal institutional support (Olinsson, 2017). However, marginalized entrepreneurs frequently have networks characterized by homophily, meaning they are mostly connected with people of similar socio-economic status, limiting their access to diverse and resource-rich networks. Asnafpreneurs may rely heavily on informal networks such as family, friends, and community members, which provide limited financial and business resources (Villanueva-Flores et al., 2021).

Proposition 1: Strong, diverse social networks are crucial for Asnafpreneurs to access resources (information, capital, opportunities) that can enhance their business performance.

Resource Dependence Theory (RDT)

Resource Dependence Theory (RDT) emphasizes the external environment’s role in providing essential resources to individuals or organizations (Hillman et al., 2009). Entrepreneurs, particularly those from marginalized groups, often depend heavily on external actors (e.g., financial institutions, government agencies, and charitable organizations) to provide capital, information, and other resources (Roundy & Bayer, 2019). However, this reliance creates asymmetric power relationships, where the resource provider often holds significant influence over the entrepreneur, limiting their ability to act independently.

In the context of Asnafpreneurship, zakat institutions and other charitable organizations serve as key resource providers. While they offer essential financial support, Asnafpreneurs are often constrained by the conditions attached to this support, limiting their entrepreneurial freedom and innovation.

Proposition 2: Asnafpreneurs must manage their dependence on external resource providers (e.g., zakat institutions) to minimize power imbalances and increase their business autonomy and flexibility.

Integration of SNT and RDT

The combination of SNT and RDT in this conceptual framework offers a more comprehensive understanding of how Asnafpreneurs can optimize their social networks to reduce resource dependency and increase access to diverse resources. The interplay between social networks and resource dependencies highlights the dual challenges faced by Asnafpreneurs: building strong networks while managing reliance on external actors.

Proposition 3: A well-optimized social network reduces dependency on external actors by providing alternative resource channels, thereby enhancing business performance and autonomy for Asnafpreneurs.

Proposed Conceptual Model

The conceptual model proposed in this paper focuses on the relationship between social networks, resource dependency, and business performance among Asnafpreneurs in low-income regions. The model is based on the integration of Social Network Theory (SNT) and Resource Dependence Theory (RDT), emphasizing the critical role of social networks in reducing resource dependency and enhancing entrepreneurial success.

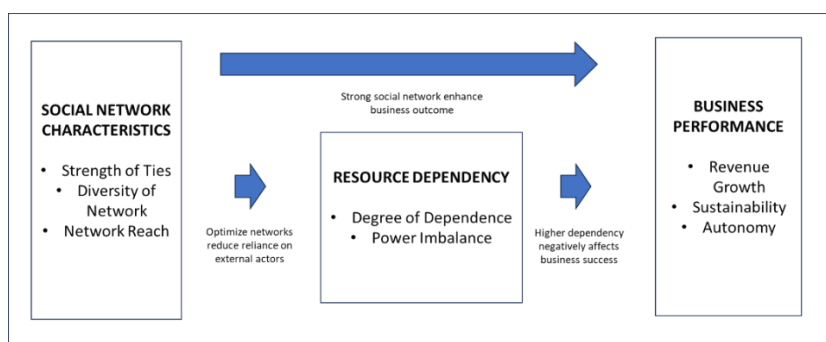


Figure 1: Conceptual Model for Asnafpreneur Success: Social Networks and Resource Dependence

METHODOLOGY

The proposed conceptual model can be empirically tested using a mixed-methods approach, combining qualitative insights with quantitative analysis. The study would begin with in-depth interviews with approximately 30 Asnafpreneurs from low-income regions (e.g., Sabah, Sarawak, Kedah, and Terengganu), exploring themes like social network diversity, resource access, and dependency on external actors. Thematic analysis would be used to identify patterns related to social network utilization and its impact on business outcomes (Braun & Clarke, 2006).

To complement the qualitative data, a structured survey targeting a larger sample (100-150 Asnafpreneurs) would measure variables such as network diversity, tie strength, and degree of dependence (Liu et al., 2017). Data collected would be analyzed using structural equation modeling (SEM) to test relationships within the proposed model, assessing the influence of social networks on business performance and the mediating role of resource dependency (Hair et al., 2010).

Additionally, Social Network Analysis (SNA) tools, such as UCINET or Gephi, would be employed to map the structure of social networks and measure metrics like network centrality and density (Scott, 2017). This approach provides a comprehensive assessment of how social networks can optimize resource utilization and reduce dependency, enhancing business performance.

Implications and Contributions

The integration of Social Network Theory (SNT) and Resource Dependence Theory (RDT) in this study provides significant theoretical contributions. This research extends the application of SNT by exploring how marginalized entrepreneurs, particularly Asnafpreneurs, use social networks to navigate resource-scarce environments. In doing so, the study highlights the role of faith-based social networks, a largely overlooked aspect in existing entrepreneurship research (Olinsson, 2017; Villanueva-Flores, Serrano-Bedia, & Blanco, 2021). By focusing on Asnafpreneurs, who are supported by Islamic charitable institutions, the research expands the scope of SNT to include non-traditional entrepreneurial ecosystems, where religious and community-based networks play a critical role in resource mobilization (Ghafar, Abdul Razak, & Azman, 2017; Hardi, Noor, & Rosli, 2022).

Resource Dependence Theory (RDT) is also advanced through this study by applying it to individual entrepreneurs rather than the more common organizational context. This research examines how Asnafpreneurs manage power imbalances in their relationships with external resource providers, particularly zakat institutions, which hold significant influence over their business operations. The constraints associated with dependency on zakat can limit the autonomy of entrepreneurs and restrict innovation (Roundy & Bayer, 2019; Hillman, Withers, & Collins, 2009). By reducing the degree of dependency on these external actors, the model proposed in this paper suggests that entrepreneurs can gain greater autonomy and improve their business performance.

From a practical standpoint, the findings have direct implications for zakat institutions and other governmental and non-governmental organizations involved in supporting entrepreneurship in low-income communities. The proposed conceptual model provides a framework for understanding how social networks can be optimized to reduce resource dependencies, enabling Asnafpreneurs to achieve greater business success (Meerangani & Azman, 2019). This insight can inform the design of more effective entrepreneurial support programs that go beyond financial assistance and focus on building stronger social networks to enhance social capital and resource access (Audretsch, Lehmann, & Schenkenhofer, 2021).

Additionally, the study contributes to broader efforts aimed at poverty alleviation. By improving the business performance of Asnafpreneurs, this research supports Malaysia's Dasar Keusahawanan Nasional (DKN2030) and the Rancangan Malaysia Ke-12 (RMK12), which prioritize poverty reduction and economic empowerment in marginalized communities (Hardi et al., 2022). The insights generated from this research can guide policymakers in designing targeted interventions to improve the sustainability of businesses in low-income regions, contributing to a more inclusive economic environment. Strengthening entrepreneurial support systems can create a positive economic ripple effect, addressing poverty and enhancing the quality of life in these

communities (Bublitz et al., 2015).

Limitations and Suggestion for Future Research

While this study offers a novel framework for understanding how social networks and resource dependencies impact the business performance of marginalized entrepreneurs, it is important to acknowledge its limitations. First, the model is context-specific, focusing on Asnafpreneurs in Malaysia, particularly those operating within the framework of Islamic zakat institutions. This limits the generalizability of the findings to other contexts where different forms of social safety nets and support systems exist (Ghafar, Abdul Razak, & Azman, 2017). Future research could expand this model to other regions and examine how it applies to different types of marginalized entrepreneurs, such as those in non-Islamic settings or different cultural environments (Bublitz et al., 2015).

Another limitation of this study is its reliance on qualitative data. While qualitative methods are effective for exploring complex social phenomena (Braun & Clarke, 2006), they do not provide the statistical rigor necessary for making broad generalizations. Future research should consider employing a mixed-methods approach that includes both qualitative and quantitative data collection. This would allow for the testing of the proposed model on a larger scale and provide more robust evidence of the relationships between social networks, resource dependency, and business performance (Hair et al., 2010).

Future research should also explore the cross-cultural application of the model. Comparing Asnafpreneurs in Malaysia with other marginalized groups, such as rural women entrepreneurs or entrepreneurs with disabilities, could provide valuable insights into how different groups navigate their social networks and resource dependencies (Villanueva-Flores, Serrano-Bedia, & Blanco, 2021). Additionally, conducting comparative studies across countries would allow researchers to examine how the model holds up in different economic, cultural, and institutional contexts (Olinsson, 2017; Krieger, Block, & Stuetzer, 2018).

CONCLUSION

This paper proposes a conceptual model that integrates Social Network Theory (SNT) and Resource Dependence Theory (RDT) to explore the factors influencing the business performance of Asnafpreneurs in low-income regions. The model highlights the critical role that social networks play in providing marginalized entrepreneurs with access to resources such as information, capital, and market opportunities (Liu et al., 2017; Porrás-Paéz & Schmutzler, 2019). At the same time, it underscores the challenges posed by heavy dependence on external resource providers, such as zakat institutions, which can create power imbalances that limit entrepreneurial autonomy and innovation (Roundy & Bayer, 2019; Hillman et al., 2009).

By combining these two theoretical frameworks, the model offers a nuanced understanding of how Asnafpreneurs can optimize their social networks to overcome resource constraints and reduce their dependency on external actors. The research contributes to both SNT and RDT by extending their application to marginalized entrepreneurial contexts, where the dynamics of resource access and network structures differ significantly from traditional business environments (Olinsson, 2017; Villanueva-Flores et al., 2021). The findings also offer practical implications for policymakers, zakat institutions, and other stakeholders involved in poverty alleviation and entrepreneurial support in low-income regions (Hardi, Noor, & Rosli, 2022).

While the model provides a strong foundation for future research, it is essential to acknowledge its limitations, particularly its context-specific focus on Asnafpreneurs in Malaysia and its reliance on qualitative data. Future studies should seek to test the model across different settings and entrepreneurial groups to validate its broader applicability (Ghafar, Abdul Razak, & Azman, 2017). Furthermore, incorporating quantitative data and longitudinal studies would offer more robust evidence of the relationships between social networks, resource dependency, and business performance (Braun & Clarke, 2006; Hair et al., 2010).

Ultimately, this paper aims to provide a theoretical framework that not only advances academic understanding but also offers actionable insights for enhancing the business success of marginalized entrepreneurs. By strengthening social networks and reducing resource dependencies, Asnafpreneurs can improve their business

outcomes, contributing to broader efforts to reduce poverty and promote economic empowerment in low-income communities (Audretsch, Lehmann, & Schenkenhofer, 2021; Bublitz et al., 2015). This model, therefore, holds potential for guiding future interventions and policies designed to support sustainable entrepreneurship in marginalized regions.

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