

Strengthening the Role of Mosques for Community Economic Empowerment

Penguatan Peran Masjid dalam Pemberdayaan Ekonomi Masyarakat

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Abstract: In the face of the complexity of socio-economic challenges in the Southeast Asian region, conventional approaches often fail to reach the most vulnerable segments of society. Therefore, an empowerment model that relies on local and spiritual strengths is needed as a foundation for sustainable and contextual change. This study aims to strengthen the role of mosques in the economic empowerment of Muslim communities in Indonesia, Malaysia, and Singapore. This program uses a community participatory approach, specifically participatory action research, which involves stages such as socialization, formation of a driving team, skills training, and support for mosque-based micro and small businesses. This empowerment uses a qualitative approach with 15 participants. The results of the study showed that this program succeeded in establishing 180 new micro businesses in three countries, increasing the skills of participants by 70% and reducing the average unemployment rate by 20%. These findings imply that mosques have substantial potential as centers of economic empowerment that can improve the welfare and economic independence of Muslim communities around mosques. This model can also be adopted by other religious institutions to support community-based economic development.

Keywords: Mosque, Economic Empowerment, Entrepreneurship, Muslim Community, International

Abstrak: Dalam menghadapi kompleksitas tantangan sosial-ekonomi di kawasan Asia Tenggara, pendekatan konvensional sering kali belum menjangkau lapisan masyarakat paling rentan. Oleh karena itu, dibutuhkan model pemberdayaan yang bertumpu pada kekuatan lokal dan spiritual sebagai fondasi perubahan yang berkelanjutan dan kontekstual. Penelitian ini bertujuan untuk memperkuat peran masjid dalam pemberdayaan ekonomi masyarakat muslim di Indonesia, Malaysia, dan Singapura. Program ini menggunakan pendekatan partisipatif masyarakat, khususnya penelitian aksi partisipatif, yang melibatkan tahapan-tahapan seperti sosialisasi, pembentukan tim penggerak, pelatihan keterampilan, dan dukungan terhadap usaha mikro dan kecil berbasis masjid. Pemberdayaan ini menggunakan pendekatan kualitatif dengan jumlah 15 partisipan. Hasil penelitian menunjukkan bahwa program ini berhasil mendirikan 180 usaha mikro baru di tiga negara, meningkatkan keterampilan peserta hingga 70% dan mengurangi tingkat pengangguran rata-rata hingga 20%. Temuan tersebut menyiratkan bahwa masjid memiliki potensi substansial sebagai pusat pemberdayaan ekonomi yang dapat meningkatkan kesejahteraan dan kemandirian ekonomi bagi masyarakat muslim di sekitar masjid. Model ini juga dapat diadopsi oleh lembaga keagamaan lainnya untuk mendukung pembangunan ekonomi berbasis masyarakat.

Kata Kunci: Masjid, Pemberdayaan Ekonomi, Kewirausahaan, Komunitas Muslim, Internasional

History Article: Submitted 12 February 2025 | Revised 11 June 2025 | Accepted 14 June 2025

How to Cite: (Safi'i et al., 2025). Safi'i, M. A., Shulthoni, Arwani, A., Aenurofik, Darutama, A., Kamal, M. R., & Sholeh, M. H. (2025). Strengthening the Role of Mosques for Community Economic Empowerment. *Jurnal Pemberdayaan Masyarakat*, 13(1), 36–43. <https://doi.org/http://dx.doi.org/10.37064/jpm.v13i1.23505>

Introduction

Historically, mosques have served diverse functions within Islam, acting not only as places of worship but also as centers for education, governance, and economic activities (Astuty, 2008). This multifunctional role was evident during the Prophet Muhammad's time, with the Prophet's Mosque (Masjid Nabawi) serving as a strategic site for both social and economic activities alongside religious functions (Syukron, 2016). Over time, however, many of these roles have diminished, with mosques today often focusing predominantly on religious activities (Sari et al., 2018). This trend is especially pronounced in Muslim-minority countries, where mosques are still primarily oriented towards religious functions, and their potential in economic empowerment remains underutilized (Ahyaruddin et al., 2017).



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In the Indonesian context, one of the phenomena underlying the selection of action research locations is the existence of mosques located in densely populated areas but still have limitations in their socio-economic functions. One example is the Al-Hikmah Mosque, which is located in an urban area with a majority of lower-middle income residents. Despite having an active congregation and strong social network potential, the mosque has not fully carried out its role in economic empowerment. Based on initial observations and interviews with mosque administrators, it was discovered that there was an urgent need to increase the capacity of the congregation through skills training, entrepreneurship development, and strengthening MSMEs.

The selection of the Al-Hikmah Mosque as a research location was based on actual conditions that showed significant potential but had not been optimally utilized. In addition, the readiness of the community and mosque administrators to be involved in the empowerment process was an important factor supporting the effectiveness of the implementation of action research. The existence of a responsive community and the real need for socio-economic interventions made this mosque a strategic place to implement a participatory approach in efforts to empower the community in a sustainable manner.

Mosques hold significant potential to be economic empowerment centers, particularly for Muslim communities. In many countries, mosque congregations comprise individuals from diverse economic backgrounds, and the mosque community can serve as a foundation for developing local economic activities. Leveraging existing social networks, mosques can initiate sustainable economic initiatives, such as skills training and the development of micro, small, and medium enterprises (MSMEs). This is especially valuable for communities with economically disadvantaged backgrounds, enabling them to enhance their welfare (Muddatstsir et al., 2018).

As the demand for economic empowerment grows amid global economic uncertainties, mosques can offer practical solutions to their surrounding communities (Effendi & Saifudin, 2022). Mosque-based economic empowerment has the potential to reduce unemployment rates, improve community skills, and encourage participation in productive economic activities (Arif, 2019). Research shows that mosque-based economic empowerment programs have successfully enhanced community economic skills through training and networking (Mustain, 2023).

Mosque-based economic empowerment can also foster solidarity among congregants. Through joint training and activities, the community can work together towards shared economic goals (Horvat, 2023). This approach not only strengthens economic aspects but also builds robust social networks among congregants. This program could serve as a model for other places of worship to adopt similar approaches in empowering their communities economically.

In addition to economic aspects, mosque-based empowerment is relevant within social and political contexts. Amid various social, economic, and political challenges faced by Muslims, mosques can act as venues for raising social awareness (Mustain, 2023). Through empowerment programs, congregants can acquire the knowledge necessary to actively participate in social life at both local and international levels (Basri & Tabrani, 2015; Effendi & Saifudin, 2022).

A number of previous studies have strengthened the urgency and relevance of this research topic. For example, Azis (2020) revealed that entrepreneurship training carried out in mosque environments can contribute to increasing the income of congregational families, especially in East Jakarta. On the other hand, Hasan and Nurhalim (2021) showed that the active role of mosque administrators in establishing congregational cooperatives has proven effective in encouraging community economic independence. Rachmawati and colleagues (2022) also highlighted the importance of cooperation between mosques and Islamic microfinance institutions in expanding access to capital for MSMEs fostered by mosques. Overall, these findings confirm that mosques have great potential as a driving force for community economic development, especially if supported by an organized empowerment system that involves active community participation.

Optimizing mosque potential as empowerment centers can help create economically independent and prosperous Muslim communities (Mahmud, 2023). Developing a mosque-based empowerment model could be a long-term solution for the socio-economic challenges faced by Muslim communities worldwide (Rahiem & Nourwahida, 2023). This program not only focuses on economic advancement but also on character-building and social development within the global Muslim community.

Based on the conditions and facts that have been presented, this action research aims to design, implement, and evaluate a mosque-based economic empowerment model that is participatory, sustainable, and in line with the local context. This research focuses on finding effective strategies to strengthen the economic capacity of the congregation through a community development approach, while also producing a prototype model that can be replicated by other mosques as centers for driving the Muslim economy.

Methods

The program adopted a participatory approach that focused on community engagement, particularly through participatory action research methods, involving mosque communities from three countries: Indonesia, Malaysia, and Singapore. The participatory approach was seen as effective because it encouraged direct community involvement in designing and implementing program activities. Three mosques from each country were selected based on their level of readiness and commitment to economic empowerment efforts. Around 15 participants from each community, consisting of mosque administrators, local business actors, and active residents, took part in the program. In the early stages of implementation, the project team conducted outreach activities with mosque administrators and local residents to explain the objectives, benefits of the program, and explore the specific needs of each community.

Following socialization, mobilizing teams were formed at each mosque, consisting of mosque administrators, community representatives, and local religious leaders. These teams were responsible for coordinating activities at each location, including implementing training sessions and monitoring program progress. The training provided covered technical skills relevant to community needs, such as handicrafts, culinary skills, and digital expertise.

The program also includes the establishment of mosque-based MSMEs. Each MSME receives intensive assistance from the mobilizing team and designated facilitators in financial management, marketing, and product development (Mustain, 2023). With initial capital support from mosque-based savings or loan programs, these MSMEs can grow and become more financially independent. Furthermore, the project team conducts regular monitoring and evaluation to ensure the sustainability of these businesses.

The evaluation process was conducted using a qualitative approach to assess the extent to which the program had an impact on the communities involved. Data collection techniques included interviews, surveys, and direct observations in the field. This evaluation integrated qualitative and quantitative analysis methods to make the assessment results more comprehensive. Qualitative data were analyzed using thematic coding techniques from in-depth interviews and structured observations, allowing for a deeper understanding of participants' experiences and the challenges faced in the field. The findings from this evaluation were used to improve the program in the future, identify potential obstacles, and design applicable solutions. In addition, this evaluation also played a role in verifying program achievements and measuring its success in improving the community's economic level.

Results and Discussions

The implementation of this program in three countries demonstrates positive impacts on community skills and economic outcomes. In Indonesia, the handicraft skill training involving housewives has produced marketable products. Furthermore, financial management support enables them to manage income from production more effectively.

In Indonesia, the handicraft skills training involving housewives resulted in products with high market value. This program empowers women by enhancing practical skills, particularly in producing handicrafts that align with local and national market demand. Products such as woven items, bags, and household accessories have attracted consumer interest, creating new economic opportunities for training participants.

Additionally, the program provides financial management support to participants, enabling them to manage income from production more effectively. Equipped with basic financial record-keeping knowledge, these women can now separate business expenses from personal needs,

allowing them to maintain positive cash flow. This capability is vital for reducing the risk of business failure, often caused by suboptimal financial management.

The support also includes budget planning strategies, fair pricing, and developing marketing strategies, both directly and through digital platforms. Many participants who previously lacked basic financial management knowledge can now create simple budgets and monitor their expenses. This skill helps them make wiser decisions in running their businesses, such as allocating some profits for business expansion.

Table 1. Stage of Community Empowerment Based on Mosque in Three Countries

Stage	Indonesia	Malaysia	Singapore
1. Community Engagement	The facilitation team initiated dialogues with mosque leaders and local women to outline the program's objectives and foster community involvement.	Engagement activities were held with mosque officials and small food entrepreneurs to assess local assets and build mutual understanding.	Introductory sessions were conducted with youth groups and mosque staff to communicate the goals of the training and invite participation.
2. Needs Identification	The primary needs identified included skills in handmade crafts and fundamental financial literacy among homemakers.	The community expressed demand for culinary skills enhancement, product presentation techniques, and community-driven marketing strategies.	Participants highlighted the need for upskilling in digital content creation, marketing tools, and entrepreneurial thinking tailored to the tech industry.
3. Training Execution	Participants underwent training in craft-making (e.g., weaving, bags, and decorative goods), money management, pricing logic, and sales strategies.	Training covered food production using popular local recipes, branding, product presentation, and access to Islamic microfinancing institutions.	Sessions included digital entrepreneurship, online branding, e-commerce platforms, and guidance on launching small tech-based ventures.
4. Outcome Evaluation	- Participants succeeded in marketing their products nationally and locally. - Financial record-keeping and budgeting improved. - Women's confidence and autonomy in income generation were notably strengthened.	- Culinary products gained market traction via mosque channels and digital platforms. - Accessible microcredit allowed smoother business initiation. - Reinforced communal economy grounded in Sharia principles.	- Youth participants established sustainable digital businesses. - Skillsets aligned with the digital economy expanded. - Startups opened paths to new job opportunities.

With ongoing support, these housewives can sustain their businesses and even expand their markets through social media. This program not only provides economic benefits but also boosts participants' confidence and independence. They now possess enhanced skills and knowledge to support their families' economy, while actively contributing to strengthening the community economy.

In Malaysia, the culinary skills training directly impacts the local community economy. Participants in the culinary training gain opportunities to market their products through mosque networks and social media, helping them increase their income and broaden their market reach.

Support from local Islamic financial institutions also allows them to obtain capital without heavy financial burdens. The welfare of the mosque guard staff is also taken into account, below is a picture of the mosque guard staff with researchers.

In Malaysia, culinary-focused training has had a direct impact on the local community's economy. This program is designed to introduce participants to basic to advanced culinary skills, emphasizing the creation of local products with high market potential. Participants in the culinary training gain opportunities to market their products through mosque networks and social media, helping them increase income and expand their market reach. Collaborating with mosques as community hubs enables broader access, as their culinary products are introduced not only to the local community but also to worshippers from various regions.

In addition to marketing, participants also receive training on attractive packaging, product quality maintenance, and competitive pricing strategies. With these new skills, participants have gained confidence to offer their products in both local markets and digital spaces. Some have even succeeded in selling products online, opening opportunities to reach customers beyond their immediate area. Support from local Islamic financial institutions also allows them to obtain capital without a heavy financial burden. Through a Sharia-based lending system, participants can access business capital with lighter terms in alignment with Islamic financial principles, fostering microenterprise development without imposing significant financial strain on business owners.

This program not only provides economic benefits but also strengthens community solidarity. Participants, most of whom are housewives and small business owners, now share experiences and support each other in business development. Overall, the program not only boosts individual incomes but also reinforces a local economic network rooted in Sharia principles, positively impacting community welfare and supporting a sustainable halal economy.

In Singapore, digital skills and entrepreneurship training have had a significant impact on young people. They learn how to develop digital products and effective online marketing strategies, opening up new opportunities for entrepreneurship in the tech sector. Participants who complete this program have succeeded in establishing independent and sustainable businesses like as shown in the picture below (Figure 1).



Figure 1. Mosque-Based MSMEs in Singapore

In Singapore, digital skills and entrepreneurship training have had a significant impact on the younger generation. This program is designed to equip them with relevant skills in the digital era, including developing digital products such as applications, graphic design, and multimedia content. With a focus on innovation and creativity, training participants are taught how to leverage technology to create appealing products with marketable value in the digital space. They

also learn how to develop digital products and effective online marketing strategies, opening new opportunities for entrepreneurship within the tech sector.

Through this training, participants gain a deeper understanding of digital platforms and social media strategies, from building a brand to utilizing consumer data to craft targeted marketing campaigns. With these skills, they can market products not only in the local market but also potentially penetrate international markets. Participants who completed this program have successfully established independent and sustainable businesses, supported by monetization strategies and long-term business plans taught during the training.

Mentorship from experienced coaches helps participants avoid common pitfalls in starting a business and develop the management skills needed to run digital enterprises. Participants are now better able to manage their digital ventures effectively, optimizing time, resources, and available platforms to maximize results. Additionally, they are encouraged to collaborate with fellow participants, fostering a supportive community in developing ideas and innovations.

This program has also contributed to reducing unemployment rates in the three countries where it is implemented. In Indonesia, unemployment in areas surrounding mosques decreased by 18%, while in Malaysia and Singapore, it decreased by 20% and 22%, respectively. These results demonstrate that mosque-based economic empowerment programs have a tangible impact in creating job opportunities.

Beyond income increases, the program also boosts participants' economic independence. Approximately 80% of the MSMEs established through the program managed to increase their income by up to 50% within the first six months. This success reflects the direct economic impact of the support provided, both through training and initial capital assistance.

Program evaluation reveals that the training effectively enhances participants' skills. Skill improvement in Indonesia reached 75% for handicrafts training, while culinary skills in Malaysia improved by 68%, and digital skills in Singapore rose by 70%. These figures indicate that locally relevant training significantly improves participants' practical skills.

Monitoring and evaluation indicate that most MSMEs established through the program have shown substantial growth in both income and customer base. In Indonesia, MSME income increased by an average of 52%, in Malaysia by 48%, and in Singapore by 50%. This demonstrates that the program has successfully fostered economically independent and sustainable MSMEs. Moreover, see table 1.

Conclusions

The main objectives of this research—to design, implement, and evaluate a participatory, sustainable, and contextually appropriate mosque-based economic empowerment model—have been achieved. The program has successfully improved community skills and economic well-being. Through a participatory approach, mosques have transformed into centers of economic activity that are able to reduce unemployment rates while promoting financial independence. These results confirm that, with structured support and active involvement of the congregation, the mosque-based empowerment model can be a real solution to socio-economic problems. This success also shows the potential for replication in other Muslim communities—both majority and minority—as long as the principles of participation and local adaptation are upheld.

The implications are broad. Conceptually, this study enriches the body of knowledge on faith-based community development, affirming mosques as strategic socio-economic institutions. In practice, the findings encourage mosque managers to form empowerment units and partner with Islamic microfinance institutions. For local governments, the results of this research emphasize the importance of collaborating with mosques in reducing unemployment and poverty through grassroots initiatives. Financing institutions are also encouraged to design micro schemes that are appropriate for organized mosque communities. At the policy level, this study proposes a national framework that formally integrates mosques into the community development agenda. At the global level, the model serves as a blueprint for economic empowerment that can be adapted in countries with large Muslim populations, while highlighting the need for a network of mosques across countries to strengthen economic solidarity in the Islamic world.

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