

EMPOWERING LOCAL BUSINESSES THROUGH MASJID-BASED ECONOMY MODEL

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Article history

Received date : 13-3-2025
Revised date : 14-3-2025
Accepted date : 27-4-2025
Published date : 15-5-2025

To cite this document:

Md Sabri, S., Shafee, M. I. K., Abd Mutalib, H., Annuar, N., Sebayang, A. F., Hayati, F. & Hayati, R. (2025). Empowering local businesses through Masjid-Based Economy Model. *International Journal of Accounting, Finance and Business (IJAFB)*, 10 (60), 289 - 302

Abstract: *Historically viewed primarily as places of worship, mosques have evolved into multifunctional institutions that can facilitate entrepreneurship, community trading, and skills development. This study explores the potential of a Masjid-based economy model in empowering local businesses within the Muslim community, highlighting the unique role that mosques can play as economic hubs. It investigates various initiatives undertaken by selected mosques in Malaysia, focusing on how these religious institutions can support local business efforts through the effective use of Islamic financial principles such as zakat (charitable giving) and waqf (endowments). Employing a qualitative approach, this study includes detailed case studies that illustrate successful mosque-led initiatives aimed at promoting local entrepreneurship. By analyzing these initiatives, the study seeks to understand the impact of the Masjid-based economy model on business sustainability and community welfare. Interviews with mosque administrators, local business owners, and community members provide insights into the challenges and successes experienced in implementing these economic activities. The findings revealed that the Masjid-based economy model can play a pivotal role in strengthening local economies, particularly through collaborative efforts between religious institutions and local enterprises. The unique contribution of this study lies in its systematic exploration of how Islamic financial principles and mosque resources can be integrated to create a replicable framework for economic empowerment, offering a practical model for communities globally. This research contributes to the ongoing discourse on Islamic finance and community development, offering valuable insights into how religious institutions can be leveraged for economic growth and social betterment.*

Keywords: *Masjid-Based Economy, Local Businesses, Community Empowerment, Sustainable Development, Islamic Finance*

Introduction

A mosque, or masjid in Arabic, is a place of worship for Muslims, serving as a sacred space for prayer, reflection, and religious gatherings. Beyond its primary role as a place for performing the five daily prayers, the mosque often functions as a community hub, offering educational programs, social services, and spaces for community activities. Historically, mosques have played a multifaceted role in Islamic societies, extending beyond their primary function as places of worship. In the early periods of Islam, mosques served as community hubs where educational, social, and economic activities were fostered. The Prophet Muhammad's Mosque in Medina, for instance, was not only a spiritual center but also a space for public gatherings, dispute resolution, and market oversight (Ahmed, 2021). Over time, mosques have remained central to community life, often acting as platforms for welfare distribution through zakat (charity) and waqf (endowments) (Rahman & Shafiq, 2023). This legacy of socio-economic involvement highlights the potential of mosques to drive local development, particularly in contexts where formal economic structures may be weak or inaccessible. The concept of a Masjid-based economy model builds upon this historical role, proposing that mosques be leveraged as centers for business and economic activities. By utilizing mosque facilities and networks, local businesses can be supported through various means, such as organizing markets, providing microfinance through zakat or waqf funds, and offering entrepreneurship training programs (Abdullah & Othman, 2021). This model emphasizes the mosque's position as a trusted institution that can facilitate trade, foster community collaboration, and support the growth of small businesses. It also aligns with the Islamic principles of justice, fairness, and shared prosperity, making it an ideal platform for economic empowerment, particularly within Muslim communities (Ali, 2022).

However, while the socio-economic roles of mosques have been studied, limited research has systematically explored the operationalization of Masjid-based economy models, particularly their impact on local business sustainability and the mechanisms for integrating Islamic financial principles into such initiatives. Despite the mosque's potential, many local businesses, especially in Muslim-majority regions, face significant socio-economic challenges. Limited access to formal financial institutions, lack of business training, and market competition often hinder their growth (Mohamad & Idris, 2022). In such environments, there is a growing need for alternative, community-driven support models that can provide not only financial assistance but also skill development and market opportunities. This study aims to explore how mosques can serve as effective hubs for empowering local businesses through a Masjid-based economy model, focusing on their historical and contemporary roles as socio-economic institutions. By examining case studies of mosque-led initiatives in Malaysia, this research evaluates the application of Islamic financial principles such as zakat (charity) and waqf (endowments) in fostering entrepreneurship, supporting small businesses, and stimulating sustainable local economic growth. Additionally, it investigates the challenges and opportunities of implementing such models, offering a conceptual framework and practical insights for leveraging mosque resources to drive community-driven economic empowerment.

Literature Review

This section discusses the literature related to masjid-based economic models and the role of Islamic financial instruments such as zakat and waqf in empowering local businesses. It highlights previous studies on the integration of religious institutions in economic development and their impact on financial inclusion. By reviewing relevant literature, this section aims to provide a foundation for understanding how faith-based approaches can support sustainable community growth.

Islamic Finance and Economic Empowerment

Islamic finance, particularly through zakat (charity), waqf (endowments), and microfinance, serves as a vital framework for fostering socioeconomic development within Muslim communities. Zakat, a form of obligatory almsgiving, has been increasingly utilized to provide financial assistance directly to those in need, thereby addressing immediate poverty and alleviating economic distress among disadvantaged groups (Rahman & Shafiq, 2023). This redistribution mechanism aligns with Islamic principles of social justice and economic equity, ensuring that wealth is shared and that vulnerable populations receive basic financial support. Recent studies suggest that zakat funds are not only directed at immediate relief but are also being leveraged for long-term empowerment by supporting education, healthcare, and vocational training initiatives (Yusoff & Mohamed, 2022).

In addition to zakat, waqf and Islamic microfinance are also pivotal in advancing sustainable economic growth. Waqf, traditionally used for charitable and community-oriented projects, has been redirected toward the funding of small businesses and the development of community infrastructure, thus fostering local economies and creating employment opportunities (Rahman & Shafiq, 2023). Islamic microfinance, as an interest-free alternative to conventional loans, has gained significant traction, particularly among small entrepreneurs who might otherwise face financial exclusion due to a lack of collateral or high interest rates (Abdullah & Othman, 2021). By providing access to capital without interest, Islamic microfinance empowers individuals to establish or expand businesses, contributing to economic inclusivity and stability. These instruments, rooted in Islamic ethics, promote a fairer wealth distribution and help marginalized groups uplift themselves economically, contributing to a more just and balanced society (Hakim & Rashid, 2020).

The Evolution of the Role of Mosques in Community Development

Mosques have historically been central to Islamic societies, not only as places of worship but also as hubs for education, social welfare, and community development. Traditionally, mosques served as educational centers where religious and secular knowledge was disseminated, fostering intellectual growth and community cohesion (Rahman & Noor, 2021). This educational role has evolved over the years, with many mosques now offering workshops and training sessions on topics such as financial literacy, small business management, and vocational skills, thereby equipping community members with practical skills for economic participation (Ahmad et al., 2023). This shift highlights how mosques adapt to the changing needs of their communities, providing resources and knowledge that empower individuals and enhance their socio-economic standing.

Recent studies further reveal that mosques have expanded their role in social welfare by organizing various community-focused initiatives, including food distribution, health screenings, and emergency relief services (Ali, 2022). During times of crisis, such as the COVID-19 pandemic, many mosques stepped up to provide essential services, from distributing food to offering mental health support, illustrating their capacity to respond to community needs comprehensively (Ibrahim & Osman, 2022). By catering to both physical and mental well-being, mosques foster a supportive environment that addresses the holistic needs of the community. This multidimensional support reflects Islamic teachings on charity and communal responsibility, encouraging collective action and mutual support among community members.

In recent years, mosques have also increasingly taken on roles related to economic empowerment. They now host programs aimed at supporting local entrepreneurs, providing a

platform where community members can network, share business ideas, and access resources for startup funding (Ali, 2022; Rahman & Noor, 2021) as well as supportive spaces for local community businesses by offering venues for networking, collaboration, and entrepreneurial growth. Many mosques facilitate events like community markets, skill-building workshops, and business forums that provide local entrepreneurs with opportunities to showcase their products and services, reach new customers, and connect with other business owners (Ali, 2022). This use of mosque facilities for economic activities aligns with Islamic principles of social support and communal welfare, as it fosters an inclusive environment where individuals, particularly those who may lack access to conventional business networks, can find mentorship, resources, and encouragement to succeed (Ahmad et al., 2023). By integrating economic empowerment initiatives within a familiar and accessible community setting, mosques not only enhance local economic resilience but also reinforce social ties and mutual support, creating a sustainable ecosystem for community-led business growth (Rahman & Noor, 2021). This integration of economic initiatives aligns closely with Islamic principles of social justice and the promotion of economic equity, as it encourages financial inclusion and communal well-being (Ahmad et al., 2023). By engaging in such economic development efforts, mosques not only uplift individual livelihoods but also contribute to the overall economic resilience of the community. This positioning as a community-centric economic facilitator highlights the mosque's evolving function in modern society as a multifaceted institution committed to holistic community development.

Community-driven economic models, including cooperatives and social enterprises, are increasingly recognized for their capacity to address local economic issues by capitalizing on shared resources and encouraging cooperation. Cooperatives, for instance, enable individuals within a community to pool financial, human, and material resources, creating a system of mutual support that facilitates economic growth and resilience (Abdullah & Karim, 2021). These models allow communities to access resources that may be difficult to obtain individually, such as financing for small businesses, shared infrastructure, or bulk purchasing, which can reduce costs for members. Social enterprises, on the other hand, apply business strategies to tackle social problems, focusing on reinvesting profits back into community initiatives or social causes. By merging social objectives with economic activities, social enterprises help improve living standards, enhance access to essential services, and address pressing societal needs (Mohamad & Idris, 2022).

The Masjid-based economy model reflects similar principles of community support and collective empowerment but is distinct in its basis on Islamic ethical principles and its central role within religious institutions. While cooperatives are typically secular, the Masjid-based model incorporates Islamic values such as trust, fairness, and charity, aligning economic activities with religious and ethical obligations (Rahman et al., 2023). This model positions the mosque as a focal point for community business activities, utilizing its trusted status within the community to foster a collaborative environment for local economic development. Community members can leverage the mosque's physical space and reputation to launch initiatives, pool funds, or organize events that boost local businesses. Additionally, the religious context provides a unique foundation for economic interactions grounded in social responsibility and mutual respect, reinforcing a collective commitment to both economic and social well-being. Moreover, the Masjid-based economy model contributes to sustainable community development by integrating financial empowerment with spiritual and ethical growth. Unlike secular cooperatives, where profit is often the main focus, the Masjid-based model emphasizes broader community benefits, encouraging participants to support one another and prioritize

communal welfare over individual gain (Ali & Hassan, 2022). This focus on shared prosperity aligns with the Islamic concept of barakah (blessing), which is seen as a form of divine favor that enhances the value and impact of collective efforts. By embedding economic activities within a religious framework, the Masjid-based economy model fosters a unique synergy between faith and financial empowerment, creating a supportive ecosystem where businesses not only thrive but also contribute to the spiritual and social enrichment of the community.

Several case studies highlight the success of mosque-based economic initiatives, particularly in promoting local business and entrepreneurship. In Malaysia, some mosques have organized community markets where local vendors can sell their products, providing them with access to a ready customer base within the congregation (Mohamad & Idris, 2022). Another example is the use of zakat and waqf funds to provide microfinance to struggling entrepreneurs, enabling them to start or expand their businesses without falling into debt (Rahman & Shafiq, 2023). These initiatives not only offer financial support but also create networks of trust and cooperation within the community, thus reinforcing the social and economic fabric of the local population. Such programs illustrate the potential of mosque-based initiatives to foster sustainable economic growth. While there is increasing recognition of the mosque's potential role in community development, few studies have focused specifically on mosques as formal platforms for local business empowerment. Much of the existing literature tends to emphasize the mosque's traditional social and spiritual roles, with limited exploration into its capacity for structured economic interventions (Ali, 2022). Furthermore, there is a gap in understanding how these initiatives can be scaled up and sustained over time. Research that investigates the operational challenges, funding mechanisms, and long-term impact of mosque-based economic activities is necessary to fully realize their potential in supporting local businesses and fostering community resilience.

The Masjid-based Economy Model

The Masjid-based economy model was developed by Mutalib et. al (2024) and consists of three components, namely 1) Masjid management, 2) Business owner, and 3) Community. The model proposed that effective masjid management, empowered business owners, and engaged communities are all critical components of a successful masjid-based economy model as illustrated in Figure 1 below. By addressing these elements, masjids can serve as powerful agents of change, driving both social and economic development in their communities.

Masjid Management

For the masjid management, the proposed elements involved six elements namely i) infrastructure, ii) human resource management, iii) leadership, iv) training, v) corporate social responsibility and vi) economy.

i) Infrastructure (Development and Maintenance): The first element is infrastructure whereby the masjid management provides the development of the infrastructure and maintenance. The physical infrastructure of a masjid is foundational to its ability to function as a community center. According to Ahmad et al. (2020), regular maintenance and development of masjid facilities are crucial for accommodating various activities, from religious services to educational and entrepreneurial programs. Well-maintained infrastructure attracts community members and supports the smooth operation of socio-economic activities.

ii) Human Resource Management: Effective human resource management in masjids involves the strategic allocation of staff and volunteers who can drive community programs.

Yusuf and Khan (2019) argue that human resource practices in masjids should focus on recruiting individuals with the necessary skills in finance, education, and community engagement. The presence of qualified personnel enhances the masjid's ability to manage economic initiatives effectively.

iii) Leadership (Motivation): Leadership within the masjid is critical for motivating both staff and the broader community. The leadership style of the imam or masjid management committee can significantly influence the success of community-based projects. As noted by Hassan and Abdullah (2021), transformational leadership in masjids fosters a sense of purpose and commitment among community members, which is essential for the success of economic initiatives.

iv) Training: Continuous training for both staff and volunteers is necessary to keep up with the evolving needs of the community. Zulkifli and Ismail (2020) emphasize the importance of training programs in areas such as financial management, entrepreneurship, and community outreach. Training ensures that the personnel involved in masjid-based economic activities are equipped with the skills needed to manage these programs effectively.

v) Corporate Social Responsibility (CSR) (Rental and Utilities): Masjids can also engage in CSR activities by providing subsidized rental spaces and utilities for local businesses and entrepreneurs. According to Rahman et al. (2018), such initiatives not only support local businesses but also strengthen the masjid's role as a community center that contributes to the local economy. These CSR activities can be funded through donations, waqf (endowments), or income generated from other masjid activities.

vi) Economy (Income and Expenses): The economic sustainability of a masjid depends on its ability to manage income and expenses effectively. Masjids generate income through donations, waqf, and community activities, which must be managed to ensure that resources are available for both religious and economic activities (Sani & Musa, 2019). Proper financial management ensures that the masjid can continue to serve its community without facing financial difficulties.

Business Owner

The second component is the business owner, which consists of six elements: i) Capital, ii) Skills (Marketing, Communication), iii) Attitude, iv) Problem Solving, v) Teamwork and vi) Creative and Innovative. The success of a masjid-based economy also relies on the capabilities and attitudes of local business owners who are part of the community.

i) Capital: Access to capital is a significant challenge for many local entrepreneurs. Islamic finance instruments, such as microfinance provided through the masjid, can offer Sharia-compliant funding options (Ali & Kassim, 2020). This access to capital is crucial for the growth and sustainability of small businesses within the community.

ii) Skills (Marketing, Communication): Business owners need to possess strong marketing and communication skills to succeed. According to Yusoff and Ghani (2021), training programs offered by the masjid can enhance these skills, helping business owners to better market their products and communicate with customers. These skills are particularly important in competitive markets where businesses need to differentiate themselves.

iii) Attitude: The attitude of business owners toward innovation, risk-taking, and community involvement significantly impacts their success. Positive attitudes toward continuous learning and adaptation are essential for navigating the challenges of entrepreneurship (Othman & Abdullah, 2019). Masjids can play a role in fostering these attitudes through motivational programs and workshops.

iv) Problem Solving: Effective problem-solving skills are crucial for business owners, particularly in overcoming challenges related to finance, market competition, and operational issues. Training in critical thinking and strategic planning, often facilitated by the masjid, can help entrepreneurs develop these skills (Rahman & Haron, 2020).

v) Teamwork: The ability to work effectively in teams is another critical factor for business success. Collaborative efforts, whether within a business or among different businesses in the community, can lead to more innovative solutions and shared resources (Mohamad & Kassim, 2020). Masjid-based initiatives often emphasize the importance of teamwork in achieving collective goals.

vi) Creative and Innovative: Creativity and innovation are essential for business owners to stay competitive and meet the changing needs of the market. Masjids can provide a supportive environment for brainstorming and experimenting with new ideas, encouraging entrepreneurs to think creatively (Zulhibri, 2019).

Community

The broader community stands to benefit significantly from a well-implemented masjid-based economy model. The impact on the community can be seen in four key areas.

i) Increase Social Welfare: By serving as centers for social and economic activities, masjids contribute to the overall welfare of the community. Programs that provide education, healthcare, and financial support help to uplift the most vulnerable members of the community (Sulaiman & Zakari, 2021). These initiatives are often funded through zakat and waqf, ensuring that they are sustainable in the long term.

ii) Reduce Social-Related Problems: Economic empowerment through masjid-based initiatives can help reduce social problems such as poverty, crime, and substance abuse. When individuals are economically stable and engaged in productive activities, they are less likely to engage in harmful behaviors (Ahmad et al., 2020). Masjids play a preventive role by offering programs that address these issues directly.

iii) Increase Employment: Masjid-based economic initiatives can create employment opportunities within the community. By supporting local businesses and entrepreneurship, masjids help to generate jobs, particularly for youth and women, who may face barriers to employment in other sectors (Rahman & Haron, 2020). This, in turn, reduces unemployment rates and improves the overall economic health of the community.

iv) Increase Socio-Economy: The overall socio-economic status of the community is enhanced when masjids actively participate in economic development. Through programs that provide training, financial support, and business incubation, masjids contribute to the economic growth and prosperity of the community (Yusoff & Ghani, 2021). This not only improves the quality of life for individuals but also strengthens the community as a whole.

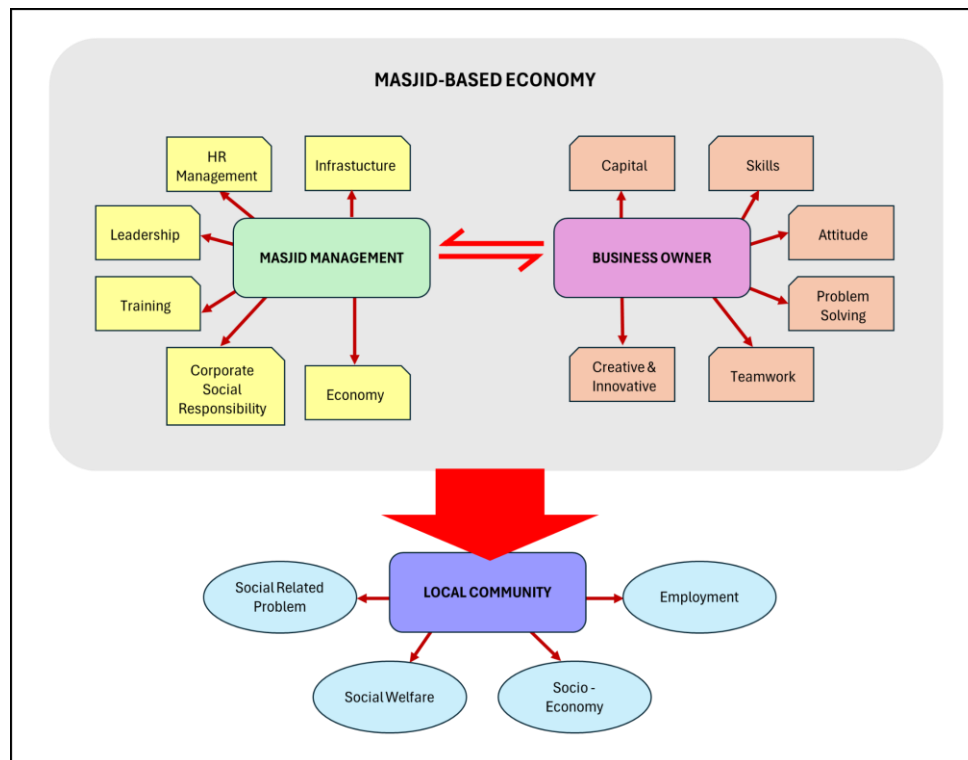


Figure 1: Masjid-based Economic Model

Methodology

This study employs a qualitative research design to explore the role of mosques in empowering local businesses through a Masjid-based economy model. The focus is on case studies of mosques that have initiated and supported economic activities for their communities. This approach allows for an in-depth understanding of the dynamics at play within these religious institutions and their impact on local entrepreneurship. Data collection involves multiple methods to ensure a comprehensive view of the mosque-based economic initiatives. First, semi-structured interviews were conducted with key stakeholders, including mosque administrators, local business owners, and community members. Participants were selected using purposive sampling to ensure representation from individuals directly involved in or impacted by the mosque-based initiatives. Mosque administrators were chosen for their roles in planning and managing these activities, local business owners for their participation and reliance on the initiatives, and community members to capture broader perspectives on the economic and social benefits. These interviews aim to gather insights into their experiences, perceptions, and the perceived benefits and challenges of mosque-led economic activities. Additionally, participant observation will be employed to gain firsthand experience of mosque-based economic initiatives, such as community markets and entrepreneurship programs. This observational data complemented the interview findings and provided context to the economic activities taking place. Furthermore, the analysis of secondary data, including financial records of mosque activities and local business performance reports, will be utilized to triangulate findings and add depth to the analysis.

To ensure data validity, triangulation was achieved by incorporating multiple data sources - interviews, observations, and secondary data analysis - to cross-verify findings and enhance the robustness of the study. The use of purposive sampling further ensured that diverse perspectives from key stakeholders were captured, contributing to the credibility of the data. Reliability was

strengthened by maintaining consistency in the interview process, employing a standardized set of questions tailored to the research objectives, and systematically documenting observations. Detailed field notes and the thorough analysis of financial and performance records also added layers of rigor, helping to minimize bias and ensure that the findings accurately reflect the realities of the mosque-based economic initiatives.

For data analysis, thematic analysis was employed to identify and interpret key themes related to the economic role of mosques, the challenges they faced, and the best practices observed in the case studies. The analysis will involve coding the data collected from interviews, observations, and secondary sources, allowing for the emergence of patterns and themes that reflect the underlying factors contributing to the success or limitations of the mosque-based economy model. This qualitative approach will provide valuable insights into how mosques can effectively empower local businesses and foster community economic development.

Results and Discussions

This section presents the findings of this research. Based on the data analysis, the findings are categorized into four sections, aligned with the literature review. The details of each section are explained below.

1) Islamic Finance and Economic Empowerment

The findings of this study illustrate those Islamic financial principles, particularly zakat, waqf, and microfinance, play a pivotal role in fostering economic empowerment among local businesses. Zakat collections in many mosques have been redirected toward funding microfinance initiatives that provide interest-free loans to aspiring entrepreneurs. For instance, the research found that a mosque in Malaysia successfully allocated its zakat funds to support local artisans and small businesses, enabling them to cover startup costs and operational expenses (Rahman & Shafiq, 2023). This financial assistance not only alleviates immediate economic hardships but also encourages self-sufficiency among community members.

Moreover, waqf has emerged as another vital tool for economic development within mosque-based initiatives. By establishing waqf funds specifically aimed at business development, mosques have created sustainable revenue streams that benefit local economies. For example, a case study of a mosque in Indonesia demonstrated how its waqf properties were utilized to establish a community market, generating income that was reinvested into community projects and supporting local entrepreneurs (Abdullah & Othman, 2021). This model exemplifies how Islamic financial instruments can be effectively utilized to empower local businesses, fostering a sense of community ownership and economic resilience.

2) The Role of Mosques in Community Development

The role of mosques as multifunctional institutions extends far beyond their religious duties, with significant contributions to community development through education, social welfare, and economic empowerment. Interviews with mosque administrators highlighted that many mosques have embraced their potential as community centers by offering various programs aimed at improving the socio-economic conditions of their congregants. For instance, some mosques have initiated entrepreneurship training programs that equip residents with the skills necessary to start and manage their businesses (Ali, 2022). These initiatives not only provide essential knowledge but also create a supportive network for aspiring entrepreneurs, further enhancing the role of mosques in community development.

Additionally, the findings revealed that mosques have become vital hubs for social welfare initiatives, which often intertwine with economic empowerment efforts. For example, community kitchens and food distribution programs organized by mosques were noted as important resources for low-income families, helping to alleviate poverty and supporting local businesses that supply goods to these programs (Mohamad & Idris, 2022). This dual role reinforces the idea that mosques can address both immediate social needs and long-term economic aspirations, fostering a more resilient and self-reliant community.

3) Community-Based Economic Models

The comparative analysis of the Masjid-based economy model with other community-driven economic models, such as cooperatives and social enterprises, reveals distinctive advantages and challenges. While cooperative models emphasize mutual support and shared ownership, the Masjid-based model uniquely incorporates Islamic ethical values, fostering trust and collaboration within the community. The study found that participants viewed mosques as more than just places of worship; they were seen as legitimate and trusted institutions for economic activities. This trust significantly enhances community engagement, making it easier to mobilize resources and support for local businesses (Ali, 2022).

However, the findings also suggest that the Masjid-based model faces challenges related to scalability and sustainability. Unlike cooperatives that operate on formal business structures, mosque-led initiatives often rely on volunteer efforts and community goodwill, which may lead to inconsistencies in program delivery and resource allocation (Rahman & Shafiq, 2023). Moreover, as these initiatives grow, there is a risk of mission drift, where economic activities may overshadow the spiritual and social functions of the mosque. Therefore, careful planning and management are crucial to balance these roles while maintaining the mosque's integrity as a religious institution.

4) Case Studies of Successful Initiatives

Several case studies illustrated the successful implementation of mosque-based economic initiatives that have empowered local businesses. For instance, the mosque in Kuala Lumpur organized a weekly community market where local vendors could sell their products, significantly increasing their customer base and income (Mohamad & Idris, 2022). Participants reported a notable rise in sales and customer engagement, demonstrating how mosque-led initiatives can directly impact local economies. This model not only supports individual entrepreneurs but also fosters a sense of community pride and collaboration among participants.

Another noteworthy case involved a mosque in Jakarta that established a microfinance program funded by zakat and waqf contributions. This initiative provided low-interest loans to small business owners, enabling them to expand their operations and hire additional staff (Abdullah & Othman, 2021). The success of this program was evident in the positive testimonials from beneficiaries, who attributed their business growth to the support received from the mosque. These examples highlight the effectiveness of mosque-based initiatives in creating sustainable economic opportunities, reinforcing the importance of mosques as catalysts for local business empowerment.

Summary of Findings

This summary of findings outlines the multifaceted role of Islamic finance, mosques, and community-based economic models in promoting socio-economic empowerment. Islamic financial principles like zakat and waqf are instrumental in supporting microfinance initiatives

and fostering self-sufficiency among local businesses through the strategic allocation of funds. Additionally, mosques are shown to be vital community centers, providing not only spiritual guidance but also practical resources such as entrepreneurship training and social welfare programs, which strengthen the economic stability of the communities they serve. The concept of a Masjid-based economy model exemplifies an Islamic approach to community-driven economic development, encouraging trust and collaboration while addressing challenges related to scalability and sustainability. Finally, case studies of successful mosque-led initiatives demonstrate the positive impact of community markets and microfinance programs, with beneficiaries reporting improved engagement and economic empowerment as a result of these efforts. Table 1 below presents the summary of the findings of this research.

Table 1: Summary of Findings

Key Areas	Findings
Islamic Finance and Economic Empowerment	Islamic financial principles like zakat and waqf are effectively used for microfinance initiatives that empower local businesses. Successful allocation of zakat funds for microloans fosters self-sufficiency.
The Role of Mosques in Community Development	Mosques serve as community centers offering entrepreneurship training and social welfare programs, enhancing socio-economic conditions. Community kitchens and food programs alleviate poverty while supporting local businesses.
Community-Based Economic Models	The Masjid-based economy model emphasizes Islamic values, fostering trust and collaboration. However, challenges in scalability and sustainability need careful management to maintain the mosque's integrity.
Case Studies of Successful Initiatives	Successful mosque-led initiatives, such as community markets and microfinance programs, significantly empower local businesses and enhance community engagement. Positive beneficiary experiences highlight the impact of these programs.

Conclusion

The findings of this study underscore the significant potential of mosques to empower local businesses through the Masjid-based economy model. By leveraging Islamic financial principles such as zakat and waqf, mosques have successfully facilitated microfinance initiatives and community marketplaces that enhance local entrepreneurship. Specific examples, such as the mosque in Kuala Lumpur organizing a weekly market and the Jakarta Mosque providing microloans, illustrate how these institutions can serve as vital economic hubs within their communities. This approach not only stimulates local economies but also fosters a sense of collaboration and trust among community members, reinforcing the mosque's role as a multifunctional institution that supports social and economic development. The Masjid-based economy model expands the current understanding of Islamic finance and community-driven business models by integrating spiritual values with economic initiatives. It highlights the unique position of mosques in bridging religious and economic activities, offering a framework that other community-driven models may lack. To further enhance the impact of this model, practical recommendations include encouraging mosques to formalize partnerships with local

governments and NGOs, which can provide additional resources and support for economic initiatives. Additionally, developing standardized training programs for mosque administrators on running business initiatives can help ensure the sustainability and effectiveness of these efforts.

Future research should explore the scalability and adaptability of the Masjid-based economy model in diverse socio-economic and cultural contexts, including non-Muslim-majority regions where Islamic principles are practiced by minority communities. Comparative studies across different countries or regions could provide valuable insights into the universal applicability of the model and the factors influencing its success. Additionally, longitudinal research could assess the long-term impact of mosque-led economic initiatives on business sustainability and community welfare. Such studies could inform government policies by offering evidence-based recommendations for integrating mosque-based initiatives into broader economic development strategies. For instance, governments could collaborate with mosques to streamline the allocation of zakat and waqf funds or provide incentives for mosque-led entrepreneurship programs. Furthermore, Islamic organizations such as Islamic financial institutions and NGOs could leverage these findings to align their objectives with the Masjid-based economy model, fostering partnerships to amplify its reach and effectiveness. By linking mosque-based efforts with national and organizational strategies, future research can contribute to a cohesive framework for community-driven economic empowerment.

Acknowledgements

This study is funded by the International Matching Fund (IMF) (100-TNCPI/INT 16/6/2 (056/2023)). The authors wish to thank the Research Management Institute, Universiti Teknologi MARA for their support in completing this research. The authors also would like to thank the administrators of the mosques involved in this study, as well as the local business owners and community members who participated in the interviews. Special thanks to our counterpart from Universitas Islam Bandung for supporting this research.

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