

Mosque-Based Economic Empowerment as Living Sharia Economic Law: Principles and Challenges

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Abstract. *This study analyzes mosque-based economic empowerment as a form of community implementation of Sharia economic law beyond formal Islamic financial institutions. Using a qualitative, exploratory approach through interviews and focus group discussions, this research investigates how mosques serve as sites for sharia-compliant economic practices, including cooperatives, microfinance, and community entrepreneurship. The findings indicate that mosque-based economic activities reflect core principles of Islamic economic law, including justice, mutual consent, the prohibition of usury, and public benefit. However, normative challenges persist due to the lack of inclusive policies and structured governance, as well as limited formal institutional support. Overall, this study highlights mosque-based economic empowerment as a dynamic expression of living Islamic economic law.*

Keywords: *mosque-based economic empowerment; sharia economic law; Islamic entrepreneurship*

Abstrak. *Penelitian ini menganalisis pemberdayaan ekonomi berbasis masjid sebagai bentuk implementasi hukum ekonomi Syariah oleh masyarakat, di luar lembaga keuangan Islam formal. Dengan pendekatan kualitatif dan eksploratif melalui wawancara dan diskusi kelompok terfokus, penelitian ini menggali bagaimana masjid berperan sebagai tempat mempraktikkan aktivitas ekonomi yang sesuai syariah, termasuk koperasi, pembiayaan mikro, dan kewirausahaan. Hasil penelitian ini menunjukkan bahwa kegiatan ekonomi berbasis masjid mencerminkan prinsip-prinsip pokok hukum ekonomi Islam, seperti keadilan, kesepakatan bersama, larangan riba, dan manfaat bagi masyarakat. Namun, tantangan normatif tetap ada karena kurangnya kebijakan inklusif, tata kelola yang terstruktur, serta dukungan lembaga formal. Secara umum, penelitian ini menegaskan bahwa kewirausahaan berbasis masjid merupakan ekspresi dinamis dari hukum ekonomi Islam yang hidup di masyarakat.*

Kata kunci: *pemberdayaan ekonomi berbasis masjid; hukum ekonomi syariah; kewirausahaan Islam*

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INTRODUCTION

In recent decades, mosques have not only functioned as places of worship but have also transformed their role as centers of the community's social and economic empowerment. Amidst the economic dynamics of the Indonesian Muslim community, mosques have emerged as alternative spaces that bridge spiritual and economic needs through various activities such as entrepreneurship training, UMKM bazaars, sharia cooperatives, and halal product marketing. This phenomenon shows that mosques have strategic potential to integrate Islamic values with sustainable marketing and economic practices for the community. By prioritizing a spiritual marketing approach, namely a marketing strategy based on religious values, mosques can become a driving force for entrepreneurship that not only seeks material profit but also brings blessings and social benefits (Masjid Raya KH. Hasyim Asy'ari, 2024). Therefore, it is essential to examine more closely how mosques in Indonesia are transformed into centers of the people's economy, as well as how spiritual values are integrated into marketing strategies and community-based business activities.

Religious practices in Muslim communities play an important role in building social networks that support entrepreneurship. Through mosque-based activities, Islamic philanthropy, and the application of Islamic values in business, Muslim communities can build strong social capital, the foundation for business growth and sustainability. This shows that religion does not function solely as a belief system but also as a social force that drives economic development and entrepreneurship in communities (Abdullah, M. A., & Arifin, 2023). For example, the Akhuwat Foundation in Pakistan uses mosques to disburse interest-free microloans (Qard al-Hasan). By leveraging the mosque's infrastructure, the organization has reduced operational costs and strengthened community participation in economic activities. This model demonstrates the potential of mosques as inclusive centers of economic and social activity.

Research on the relationship between religious orientation, entrepreneurial behavior, and economic development is unclear in part because of the complexity of the interactions that underlie the critical chaos of entrepreneurship (Gartner, 2016). Previous research has shown the important role of "community" in facilitating entrepreneurship by emphasizing how different social and ethnic contexts help firm growth (Altinay, 2008). While the relationship between religion and entrepreneurship has received attention in the literature (Dana, 2010), current research in the UK (Khalique et al., 2018). Community commitment has successfully mediated the relationship between Rotating Savings and Credit Associations (ROSCA) motives and benefits and their effects on entrepreneurial

intention and household wealth (Pambekti et al., 2022). Although interest in the relationship between religion and ethnic entrepreneurship continues to grow, studies on the role of mosques in shaping the entrepreneurial ecosystem of both local and diaspora Muslims in Indonesia are still limited, even though mosques are now beginning to transform into spiritual centers as well as marketing spaces and economic empowerment for the community.

As explained by Fahmi, Muslim communities in Indonesia also demonstrate the close relationship between religion and complex social identities. In this context, Islam is not only a belief system, but also the foundation of a collective identity that shapes how individuals interpret their existence in modern society. Mosques, boarding schools, and religious communities serve as social and spiritual spaces that enable identity building, social networking, and even business incubation. For many Muslim entrepreneurs, the elements of being (faith), belonging (social and economic capital), and becoming (role in the community) are integrated into everyday business practices, reflecting a value-based entrepreneurship often missing from mainstream narratives. Thus, a deeper understanding of these dynamics is important to open the “black box” in examining the orientation of Muslim entrepreneurship in Indonesia.

The study of Muslim entrepreneurship in Indonesia is often dominated by an output-oriented approach that overlooks the underlying processes. As a result, the roles of Islamic values and social networks are not sufficiently visible or understood. In this context, research tends to evaluate economic empowerment programs or interventions primarily in terms of end results, such as increased income or the number of businesses established, without conducting an in-depth analysis of the internal dynamics that drive such outcomes (Vinet & Zhedanov, 2011). This includes limited attention to how Islamic values, mosque-based social networks, and philanthropic practices such as zakat and infaq concretely shape the motivation, behavior, and resilience of Muslim entrepreneurs (Porter et al., 2024). How does the entrepreneurial process relate to religious-based associations (in this case, mosques) and ethnic infrastructure among Muslim communities? Specifically, how does a particular Muslim community framework utilize spiritual resources and mosque institutions as social and economic capital in the development and growth of community entrepreneurship?

Literature Review

Mosques today function not only as places of worship but also as centers for economic empowerment through entrepreneurial activities grounded in Islamic

values. In this context, the concept of spiritual marketing, namely, a marketing approach that emphasizes ethics, barakah (blessings), and social responsibility, serves as a foundation for developing community-based enterprises that are both value-driven and sustainable. This approach emphasizes that Muslim business practices must be bound by the values of monotheism, honesty, and justice, as exemplified in Islamic history (Izberk, 2012).

Associations, whether social, cultural, or religious, within a community tend to generate business opportunities and linkages; shared networks and familiarity within a group that engender high levels of trust, embodied in social capital, for business startups (Neumeyer, X., Santos, S. C., & Morris, 2021). Community membership creates relationships with two or more types of ties, as noted by Salaff, Janet; Greve, Arent; and Wong, Siu-lun and Ping (2003), forming a multiplex network. To address the “black box” problem, theoretical exploration relies on thematic categories drawn from related studies (Kpobi & Swartz, 2018): religion, social capital, spirituality, and ethnic entrepreneurship. These four concepts gain legitimacy because, first, as argued by Kpobi & Swartz (2018), the environment mediates social space, thus making entrepreneurship a socially constructed idea. Second, existing studies have established that social capital (Waldinger et al., 1990). Social networks and embeddedness (Cope et al., 2007) play a significant role in shaping entrepreneurial activity. Third, the relationship between religion and spirituality (Miller, 2002), as well as the role of religion as a source of social capital (Uhl-Bien & Arena, 2018), has also been widely acknowledged in the literature (Fomaciari & Dean, 2001).

Religion

Religion offers a unique context, with a particular social base and cultural expressions that can be exploited to explain ethnic entrepreneurship. The combined power of religion and ethnicity amplifies the effects of dense social networks, trust, mutual expectations, shared values, and shared religious-cultural views, thereby strengthening a group’s social capital (Kraybill et al., 2010). As Meagher (2009) suggests, religion shapes the process of social and economic change in informal African enterprise groups. There is always a relationship between different forms of religiosity and ethnic identities (Jacobson, 1997), and this tendency is magnified among minority migrant groups seeking a “positive identity” (Tajfel, 1974). On his part, (Witham, 2010) defines and justifies an economic approach to religion by exploring the concept of religious markets and the process of secularization, emphasizing religious production, the risks and credibility of religious goods, and the organizational features of religious groups.

Social Capital

The relationship between religion as a form of social capital related to entrepreneurship is also established in the literature (Wahidmurni, 2017); (Uhl-Bien & Arena, 2018). Social capital, according to (Putnam, 1996), consists of “features of social life (networks, norms, and trust) that enable participants to act together more effectively to pursue common goals”. Fukuyama (1999) argues that shared norms or values drive social cooperation, as reflected in social relations (e.g., religious sects, village associations, and clans), and further suggests that they are a necessary prerequisite for strong economic growth. On the other hand, (Candland, 2000) argues that faith can be a form of social capital and shared faith can enable believers to trust one another. (Morrow & Scorgie-Porter, 2017) identified two key components of the concept: bonding social capital and bridging social capital. The former refers to the values associated with social networks within homogeneous groups, while the latter concerns social networks between heterogeneous groups.

Social networks are crucial to the development of ethnic firms largely because of the tendency to grant network access to members but deny it to non-members, thereby giving the former some operational advantages over the latter (Waldinger et al., 1990). The core of the ethnic entrepreneurial social network is the family and community. This manifests itself in the network of personal contacts (entrepreneurs’ relationships with specific individuals) and cultural aspects (Ram, 1994). Social network ties are often said to depend on the level of trust among group members; therefore, trust is a significant business resource that can confer a competitive advantage (Smith et al., 2001).

Spirituality

Spirituality is a concept that encompasses the wholeness of self, the search for meaning in life, and a relationship with the divine that fosters inner peace and well-being (Neck & Milliman, 1994). In the Islamic context, this spirituality is manifested through the ongoing practice of worship and the pursuit of divine pleasure, which extends beyond the space of worship and permeates economic activities. This aligns with (Pio, 2010) view that spirituality is also a drive to achieve harmony in life, including in dealing with social and economic pressures through entrepreneurship.

The concept of developing individuals as “whole persons” (Frahm-Arp, 2021), encompassing the search for meaning, a connection with the sacred that fosters inner peace and well-being (Neck & Milliman, 1994), and a sense of calling

in life, has become an important focus in contemporary scholarship. (Parrish-Harra, 2002) describes spirituality as an evolutionary drive to shift focus from personality issues to awareness of essence (self, soul, or spirit) and to a relationship with God. For example, self-transcendence, holism, self-harmony, and personal growth have been identified as core areas of spirituality (Ashforth, Blake E. and Pratt, 2003). (Pio, 2010) emphasizes the importance of both Eastern and Western customs of seeing spirituality to see “the life energy of the individual seeking harmony with the universe”. Such a search for harmony may involve individuals seeking ways to reduce or mitigate the effects of a harsh, sometimes hostile environment, often through entrepreneurship.

Ethnic Entrepreneurship

Ethnic entrepreneurship generally refers to business ownership among migrants and ethnic minority groups (Waldinger et al., 1990). It is often conceptualized as a response to constrained opportunities in the formal labor market, where structural barriers may encourage individuals to pursue self-employment (Raes et al., 2002; You & Zhou, 2019). However, alternative perspectives frame ethnic entrepreneurship as a proactive strategy for achieving upward social mobility, income generation, and economic autonomy (Lo, 2009). Recent studies further emphasize that such entrepreneurial activities are shaped by migrants’ capacity to mobilize resources, exploit niche markets, and engage in transnational practices (Yamamura & Lassalle, 2022).

Entrepreneurial outcomes, therefore, can be understood as the result of dynamic interactions between agency and structure, wherein individual-level resources such as human, cultural, and financial capital intersect with broader economic, social, and institutional environments (Kloosterman & Rath, 2001). This interaction gives rise to what is commonly referred to as an “opportunity structure,” which simultaneously defines both constraints and possibilities for entrepreneurial activities. Building on this perspective, the mixed embeddedness approach highlights that ethnic entrepreneurship is situated within multi-level and increasingly transnational contexts that shape, and are shaped by, entrepreneurial opportunities and constraints (Yamamura & Lassalle, 2022).

The relationship between religion and entrepreneurship has a long history in research (Weber, 2020), and religious beliefs are said to influence a variety of behavioral outcomes (Iannaccone, 1998). The theory of religious belief emphasizes the effects of religious ideas on economic activity (Weber, 2020). It highlights

the interaction between various religious ideas and entrepreneurial culture. Key aspects of the Weberian theory include the “spirit of capitalism” and the “spirit of adventure”. The former underlines the origins of modern capitalism in religious ideas (promoting economic freedom, nurturing private enterprise, and spreading the entrepreneurial spirit). The spirit of adventure encompasses the free-spirited forces of impulse that promote an entrepreneurial culture. The difference is that while the spirit of capitalism is influenced by strict discipline, the latter is influenced by whimsical impulses, but both nevertheless shape the entrepreneurial culture. (Dana, 2010) argues that religion is a reservoir of wisdom and values, interwoven with cultural values to shape various forms of entrepreneurship.

Thus, prevailing religious beliefs have explanatory power for the propensity to engage in (or not engage in) entrepreneurship. Also, entrepreneurship and spirituality are said to be connected through the facilitation of congruent work-life (Miller, 2002), and the latter is often mediated through individual religious beliefs and practices (Pio, 2010). Spirituality is then seen as a personality dimension related to beliefs and values that permeate individual experience, while religion is seen as a community-based activity and ritual (Logan, 2020); (Hodge, 2003). With this as a starting point, this study concentrates on religion. The justification lies in the fact that religion expresses spirituality or is embedded in it. Religious entrepreneurs are thus described as individuals who engage in both spiritual and business activities; they regard their entrepreneurship as a spiritual calling and seek to instill their morals and values into their ventures (Seymour, 2003).

Religion as a moderator of context is closely interwoven with every aspect of Black African life, including the sociological aspects of the family, property rights, authority, tribal organization, judicial trials, punishment, inter-tribal relations, and trade (Robert Hamill Nassau, 1904). Significantly, there is a recognition of God, His existence, His nature, and His relationship to the Universe in any religion practiced by many African people (Robert Hamill Nassau, 1904). Religious revival among Africans, facilitated by economic and social pressures, has partly led to the rapid expansion of Christian charismatic Pentecostal churches and Muslim reformist Islamic movements (Meagher, 2009).

Religion is often regarded as one of the fastest-growing social forces in the contemporary world (Kpobi & Swartz, 2018). Its appeal lies in its dynamic interaction with social environments, as well as in its “embrace of ecstatic emotionalism and principles of radical equality” that transcend social and geographical boundaries (Lewison, 2009, p. 32). Within this broader context,

the mosque, as a central institution in Islam, is transforming its role, comparable to the rise of non-orthodox churches in Africa. For instance, movements such as the Aladura in Yoruba, Nigeria, and the rapid expansion of Pentecostalism driven by economic and social pressures (Gaiya, 2006) demonstrate how religious institutions adapt to socio-economic challenges. Similarly, mosques in Indonesia have responded to recurring economic crises by creating new spaces for community empowerment, particularly in entrepreneurship.

This development reflects the social realities of communities facing structural economic constraints, positioning the mosque not only as a place of worship but also as a center for adaptive strategies in overcoming systemic limitations. The transformation of mosques into hubs of economic activity and entrepreneurship can thus be analyzed using approaches similar to those employed to explain the growth of Pentecostal movements in Africa and the diaspora (Hunt, 2000); (Burgess, 2009), namely as institutional responses to socio-economic pressures and governance gaps.

In the Indonesian Muslim context, mosques function not only as religious spaces but also as alternative platforms for addressing limited economic access and for integrating spiritual values with entrepreneurial practices. This phenomenon is consistent with the theory of institutional voids (Farooq, M., Block, J.H., Fisch, 2019), which suggests that conditions of deprivation, disorganization, and systemic constraints encourage communities to rely on trusted institutions. In this case, mosques emerge as key actors in fostering economic empowerment grounded in Islamic values.

According to (Bronk, 2011), sacred texts possess a strong appeal when their messages resonate with the social and economic realities of their readers. Among Indonesian Muslims, a similar phenomenon can be observed: Islamic teachings that emphasize social justice, empowerment, and solidarity with the marginalized are internalized and translated into economic practices through mosque-based initiatives. Accordingly, mosques function not only as places of worship but also as strategic spaces for the social and economic transformation of the community, particularly in addressing challenges such as poverty and limited access to economic resources.

Just as houses of worship can serve as strategies for survival and spiritual expansion within secular environments (Hunt, 2000), mosques in Indonesia are likewise transforming into spiritual centers that also accommodate the community's economic needs. This approach integrates Islamic values with principles of

community-based entrepreneurship, positioning mosques as platforms for social and economic innovation. In this context, religion functions not only as a source of values but also as a source of institutional strength and collective empowerment.

Accordingly, in line with Jules-Rosette's (1994) view, mosques as religious institutions may be understood as a synthesis of spirituality, local culture, and adaptive responses to contemporary socio-economic challenges. This perspective reinforces the argument that religion particularly Islam serves as a vital form of social and institutional capital in shaping the dynamics of community-based entrepreneurship.

Marketing

The theory of value-based marketing states that marketing success is not determined solely by product or price, but by an entity's (including religious institutions') ability to convey values aligned with consumers' beliefs and identities (Kotler & Gertner, 2002). In this case, the mosque is not only a place of worship but also a social and religious brand that reflects the integrity, solidarity, and ethics of Islam. Therefore, the congregation's loyalty to the economic activities facilitated by the mosque is not only rational-economic but also spiritual and ideological.

In addition, relationship marketing theory emphasizes the importance of building long-term relationships based on trust, commitment, and shared values between an organization and its consumers (Morgan & Hunt, 1994). In the context of mosques, the relationships built between mosque administrators and congregations create strong social ties that can be leveraged as social capital to develop community businesses.

The theory of cause-related marketing is also relevant in this context, referring to a marketing approach in which organizations link the sale of products or services to specific social or religious objectives (Varadarajan & Menon, 1988). When mosques function as distribution centers for halal products or as organizers of Sharia-based economic activities, they generate a perception of added value and trust among Muslim consumers. From the perspective of Muslim consumer behavior, the theory of religious influence on consumer behavior (Essoo & Dibb, 2004) suggests that an individual's level of religiosity can significantly shape product preferences, consumption patterns, and loyalty toward business entities that align with religious values.

Methodology

This study adopts a qualitative interpretive approach to examine how spiritual values and religious meanings shape entrepreneurial behavior within mosque-based communities. An interpretive paradigm is particularly appropriate for capturing the subjective and socially constructed nature of socio-religious phenomena, where meanings are embedded in lived experiences and social interactions (Curran & Burrows, 1987; Ogbor, 2000). The study is situated within mosque environments that function not only as places of worship but also as emerging socio-economic spaces facilitating community-based entrepreneurial activities.

Data were collected through multiple qualitative methods, including in-depth interviews, participant observation, focus group discussions, and document analysis, allowing for triangulation and a comprehensive understanding of the research context. A purposive sampling strategy was employed to capture diverse perspectives, involving 25 established Muslim entrepreneurs (ME-01 to ME-25), 25 aspiring entrepreneurs active in mosque-based initiatives (AE-01 to AE-25), five mosque administrators (TA-01 to TA-05), and three imams (IM-01 to IM-03). These participants were selected to reflect variation in entrepreneurial experience, religious engagement, and socio-economic background.

All interviews were audio-recorded, transcribed verbatim, and analyzed using a narrative thematic approach (Mishler, 1990). The analysis followed an iterative process of coding, categorization, and interpretation to identify key themes related to spiritual motivation, social capital, and entrepreneurial practices. To ensure methodological rigor, this study applies strategies of credibility, dependability, and confirmability through data triangulation, systematic documentation, and transparent linkage between empirical evidence and interpretation. Anonymized coding of informants (e.g., ME-12, AE-05, TA-03, IM-02) was used to maintain confidentiality while enhancing analytical traceability.

Given the interpretive nature of the study, reflexivity was maintained throughout the research process, with the researcher critically reflecting on positionality and potential biases in data collection and analysis. This approach strengthens the trustworthiness and interpretive validity of the findings within the socio-religious context under investigation.

Results and analysis

Contextual Articulation

An assessment of the role of the mosque as a context moderator is essential to gain in-depth insight into the characteristics, organizational structures, and management patterns related to the entrepreneurial behavior of Muslims. This assessment emerges in two main dimensions: first, entrepreneurial activities that grow within the mosque environment; and second, the role of the mosque as a spiritual and social incubator for the development of community businesses.

Several key aspects are worth analyzing. These include: the forms of mosque-based economic organizations such as cooperatives, Baitul Maal wat Tamwil (BMT, Islamic microfinance institutions), and congregational MSMEs (micro, small, and medium enterprises); the religious values and beliefs that foster an ethical trading ethos; business financing mechanisms, whether through *infaq* (voluntary charitable contributions), productive *waqf* (endowed assets used for income-generating activities), or microfinance programs; the relationship between the mosque and its surrounding community (often referred to as its catchment area or sphere of social influence); and how these factors are directly linked to the processes of starting and sustaining business activities.

By understanding the mosque as both a spiritual and economic hub, it becomes possible to see how marketing practices grounded in Islamic values shape community-based business patterns that are more focused, inclusive, and oriented toward *barakah* (divine blessings) and collective welfare.

Mosque as an Entrepreneurship Incubator Administrative and Leadership Aspects

In the context of transforming mosques into centers of community entrepreneurship, it is important to understand their administrative structures as supporting mechanisms for the emergence of economic activities rooted in spiritual values. Generally, the leadership of a mosque is held by an *imam* or the head of the *takmir*, who receives moral and social legitimacy from the congregation. This central figure is often the main driver in economic, social, and *da'wah* initiatives, as well as a symbol of the congregation's beliefs.

The organizational structure of a mosque typically consists of various committees or divisions responsible for managing activities such as *zakat* (obligatory almsgiving), *infaq* (voluntary charitable contributions), and *sadaqah* (general charity) collectively referred to as ZIS as well as congregational cooperatives, Baitul Maal

wat Tamwil (BMT, Islamic microfinance institutions), entrepreneurship training programs, community welfare initiatives, and other socio-religious activities. These committees not only perform administrative functions but also serve as key drivers of productive, community-based economic and social activities.

Leadership in mosques is often marked by strong moral authority, in which strategic decisions, including those related to the direction of the congregation's economy, are largely based on a collegial approach with a spiritual dimension, such as deliberation or "*istikharah jama'i*". Although there is a formal organizational structure, in practice the congregation's trust in the imam, or main figure of the mosque, makes him the center of influence and the primary decision-maker, akin to the *primus inter pares* concept in other religious structures.

However, to make the mosque truly function as an entrepreneurial incubator, there must be administrative transparency, collective participation, and the congregation's active involvement in the planning and implementation of economic programs. This is important so that the mosque is not only a place of worship but also a center for sustainably empowering and strengthening the community's economic independence. One of the mosque administrators explained: "*We started managing mosque activities collaboratively, including establishing a congregation cooperative and providing small-business training. However, as the congregation expanded and economic activities grew, differences of opinion began to emerge regarding the management and direction of these programs. Some administrators became less open to participation and collaboration. As a result, there was a growing need for a mosque environment that was more aligned with the spirit of openness, collaboration, and empowerment*" (Sulaiman, Mosque Administrator, personal communication, January 25, 2024).

This finding highlights the growing complexity of governance in mosque-based economic activities as organizational scale and community participation expand. The emergence of internal disagreements underscores the need for transparent, participatory, and adaptive governance systems, particularly when informal management structures become insufficient to accommodate organizational growth. This is consistent with recent studies indicating that mosques are evolving into socio-economic institutions that require more accountable and professionalized governance to sustain community empowerment initiatives (Fahmi & Zulhamdi, 2023; Muthoifin & Rhezaldi, 2024). Furthermore, the development of cooperative initiatives and entrepreneurial training reflects the critical role of social capital and collective networks in supporting community-based economic activities. Shared

values, trust, and strong interpersonal ties within religious communities facilitate coordination and enhance resilience. Prior research confirms that social capital significantly contributes to entrepreneurial motivation, resource mobilization, and long-term sustainability in faith-based settings (Junaidi et al., 2023; Stam et al., 2014; Uhl-Bien & Arena, 2018).

At the same time, the internal differences reported by the informant reveal institutional tensions between traditional authority structures and emerging economic functions within mosque organizations. This finding aligns with the perspective of hybrid institutions, which often face governance challenges due to overlapping roles and competing expectations (Battilana & Lee, 2014; Lee, J., & Khan, 2023; Mair et al., 2015). Therefore, strengthening governance capacity, role clarity, and participatory mechanisms is essential to ensure that mosque-based entrepreneurship remains inclusive, transparent, and aligned with its social and spiritual objectives. In addition to these internal governance dynamics, mosques are also undergoing transformation in their external engagement strategies, particularly in adopting more professional marketing approaches. Mosques that actively empower the community's economy increasingly utilize marketing practices inspired by corporate models, especially in promoting socio-economic programs. Through da'wah and fundraising campaigns, they employ mainstream and social media to communicate their vision, services, and activities. Their visual and communication strategies often resemble commercial branding, including the use of professional promotional materials and curated public images of religious leaders to convey credibility and social success.

Such practices are consistent with the growing literature on religious branding and faith-based marketing, which highlights that strategic communication and symbolic representation can strengthen community attachment and institutional legitimacy (Einstein, 2011; Izberk-Bilgin & Nakata, 2016; Izberk, 2012). In this context, marketing practices do not merely serve promotional purposes but also function as mechanisms for identity construction and trust-building within religious communities (Sandikci & Jafari, 2013). However, unlike formal corporate organizations with transparent governance structures, many mosques particularly those operating autonomously still rely on centralized leadership models centered on charismatic figures such as imams or founders. This pattern resembles a family-business model, which, while ensuring continuity of vision, may also create challenges related to transparency and financial accountability. Previous studies suggest that such governance patterns reflect the increasing intersection between religious authority

and economic interests within faith-based organizations, often resulting in hybrid organizational tensions (Schedelik et al., 2021; Tracey et al., 2014).

Creed

The organizational structure of a mosque typically comprising the Mosque Welfare Council (DKM), imam, takmir (mosque management board), treasurer, and secretary reflects a governance system grounded in Islamic teachings. These roles are guided by the principles of *tawhīd* (monotheism), sharia, and Islamic ethics, which emphasize a balance between ritual worship and the community's socio-economic responsibilities. In the context of empowerment, the mosque plays a central role not only in nurturing spiritual awareness but also in cultivating an independent mindset, rooted in values such as hard work, honesty, *ukhuwah* (solidarity), and economic justice.

Islamic teachings on sustenance (*rizq*), *zakat*, charity, and the prohibition of *riba* (usury) further shape the community's moral framework in addressing the challenges of worldly life. As the discourse of Islam as a holistic way of life continues to develop, many mosques have evolved into key institutions that facilitate the transition from purely ritual spaces into centers of community economic empowerment. In this regard, the mosque functions not only as a spiritual sanctuary but also as a collective support system for welfare, offering educational programs, entrepreneurship training, sharia-based cooperatives, and MSME mentoring grounded in Islamic values.

Contemporary mosques increasingly embody the spirit of spiritual entrepreneurship, where religious outreach (*da'wah*) and economic empowerment operate in tandem. Through this integrated approach, congregants are not only guided in their spiritual development but also encouraged to achieve economic self-reliance within a framework of *barakah* (blessings) and social responsibility.

Funding

In the context of the relationship between religion and entrepreneurship, the concept of prosperity in Islam occupies a central position. Islamic teachings emphasize that worldly well-being and success in the hereafter are interconnected, provided they are grounded in faith, piety, and justice in economic transactions. In this regard, many imams and mosque administrators actively deliver sermons and religious teachings that highlight the importance of balancing acts of worship with economic efforts as part of broader social responsibility.

The concepts of *barakah* (blessings) and *halāl* sustenance are integral to the spiritual narrative that encourages individuals to engage in economic activities, whether as entrepreneurs, traders, or members of sharia-based cooperatives. Core principles such as the prohibition of *riba* (usury), the obligation of *zakat*, *infaq*, and *ṣadaqah*, as well as the management of wealth within lawful (*halāl*) boundaries, serve not only as moral guidelines but also as strategic foundations for developing mosque-based community economies.

In practice, mosques increasingly facilitate a wide range of economic activities, including entrepreneurship training, management of social funds (*zakat*, *infaq*, and *ṣadaqah*), community bazaars, and the distribution of Islamic products such as books, herbal goods, and prayer equipment. The funds collected are not limited to operational needs but are also allocated to community empowerment programs, including scholarships, MSME support, mosque cooperatives, and economic-based *da'wah* initiatives.

Similar to modern organizations, contemporary mosques have begun to implement transparent and accountable financial management systems, such as the administration of productive *waqf*, digital-based *zakat* management, and publicly accessible financial reporting for congregants. Accordingly, the mosque functions not only as a center for spiritual development but also as a hub for distributing welfare, reflecting the integration of spiritual values with modern management practices. This integration strengthens congregational trust and loyalty while fostering economically independent communities grounded in spiritual principles. In this context, fundraising activities within mosques are closely linked to the concepts of *zakat*, *infaq*, and *ṣadaqah*, which are strongly supported in Islamic teachings. As stated in the Qur'an: "Take charity (*zakat*) from their wealth to purify and cleanse them..." (QS. *At-Tawbah*: 103).

This verse emphasizes that material contributions to the mosque and the community are not merely voluntary donations, but part of social and spiritual obligations. In this case, *zakat* and *infaq* are seen as a means of purifying wealth and strengthening economic solidarity within the Muslim community. Furthermore, the verse underscores that material contributions to the mosque and the wider community are not merely voluntary acts, but constitute integral components of both social responsibility and spiritual obligation. In this context, *zakat* and *infaq* function not only as mechanisms for redistributing wealth but also as means of purifying one's assets and strengthening economic solidarity within the Muslim community.

In efforts to demonstrate the alignment between faith and entrepreneurship, (Nwankwo & Gbadamosi, 2009) argue that religious platforms and faith-based organizations are often utilized to legitimize entrepreneurial pursuits and to shape entrepreneurial identity. Similarly, many mosques regularly organize seminars and workshops to encourage entrepreneurship and foster awareness of economic opportunities within the community. This observation is consistent with (Hunt, 2000), who notes that places of worship frequently host programs on business management, investment, employability, job creation, and financial literacy. The underlying premise is that prosperity is more likely to be achieved through the development of practical skills such as financial management, self-reliance, and entrepreneurial initiative.

Mosque-based religious activities, particularly during significant occasions such as Friday prayers, Ramadan, or routine Islamic study sessions, have evolved into strategic platforms for social networking, the formation of business communities, and entrepreneurial interaction among congregants. In practice, mosques function not only as places of worship but also as meeting points for Muslim entrepreneurs, managers of *zakat* and *infaq* funds, and actors involved in sharia-based cooperatives.

In many cases, mosques expand their religious programs by incorporating economic discussion forums, Islamic entrepreneurship seminars, and halal bazaars that connect congregants with local MSMEs. Religious gatherings, such as weekly study circles, may last several hours and are often followed by socio-economic activities, including business training registration, Sharia financial consultations, and the promotion of products produced by members of the congregation.

This dynamic positions the mosque not only as a spiritual center but also as a strategic space for marketing and economic empowerment, where values of *ukhuwah* (brotherhood) and sharia principles form the foundation of interaction among congregants. As one respondent explained: “*Activities in our mosque on certain days, alongside religious programs, often last throughout the day. However, the congregation remains highly enthusiastic, as all services and activities are designed to be engaging, educational, and beneficial both spiritually and economically. These programs include Islamic studies, entrepreneurship training, halal MSME bazaars, and community-based economic development initiatives*” (Fikri, Aspiring Entrepreneur, personal communication, January 20, 2024).

This finding suggests that mosques are increasingly evolving into hybrid institutions that simultaneously integrate spiritual, social, and economic functions.

This transformation reflects the expanding role of religious institutions as platforms for socio-economic development, particularly in contexts where community-based support systems play a critical role (Battilana & Lee, 2014; Lee, J., & Khan, 2023; Mair et al., 2015).

Moreover, these activities reinforce the notion of value-based and spiritual marketing, wherein religious engagement not only enhances participation in economic initiatives but also strengthens community attachment. Prior studies have demonstrated that faith-based organizations are progressively adopting market-oriented practices to advance social and economic programs while preserving their religious legitimacy (Izberk-Bilgin & Nakata, 2016).

Negotiation of Policy and Institutional Framework

Navigating the policy framework and institutional structure is often a challenge for many mosque administrators in Indonesia, especially as mosques increasingly take on new roles as community economic centers. Some mosques face administrative confusion, such as in managing infaq and waqf funds, establishing sharia cooperatives, or operating mosque-based business units due to a lack of understanding of applicable regulations, including business licensing, taxation, and public accountability.

This weakness in administrative capacity sometimes leads to procedural inconsistencies that can trigger criticism from both the government and the community. On the other hand, several programs, such as entrepreneurship training or renting business space in the mosque environment, sometimes stumble over zoning permit issues or inconsistencies with spatial planning regulations.

Another sensitive issue that often arises, although not criminal in nature, is the potential for conflict between congregations regarding the use of mosque facilities for non-ritual activities, such as bazaars or economic seminars. In some cases, poor communication between administrators and congregations has led to resistance to program innovations, which are seen as deviating from the mosque's main function as a place of worship.

In general, the weakness of institutional support and the immaturity of the public policy framework related to the development of mosques as centers of entrepreneurship are the main challenges in this transformation.

Motivation for Entrepreneurship

Religion-based entrepreneurship is influenced by push and pull factors, both negative and positive. Push factors that motivate startups include disagreements on (sometimes trivial) issues within the place of worship, inability to access the mainstream job market, job loss, and failure in the entrepreneurial market. Consistent with the literature (de Haas, 2021), pull factors include the desire to seek independence (either from work or from the place of worship), to utilize personal skills and abilities, and to control one's future. Respondents provided examples that support the push/pull theory; for example, one respondent recounted how a fellow mosque administrator became active in the mosque after entering retirement or no longer working: *"Some retirees or individuals who are no longer formally employed find new opportunities through economic activities connected to the mosque. For example, two colleagues within the mosque community began small businesses after leaving their jobs, including ventures in prayer equipment, halal food, and umrah travel services. Over time, one of them has successfully established an independent business, an achievement that might not have been possible while still in formal employment"* (Rizky, Aspiring Entrepreneur, personal communication, February 10, 2024).

This finding suggests that mosques function as alternative entrepreneurial entry points, particularly for individuals undergoing career transitions. It reflects the push-pull dynamics of entrepreneurship, where necessity factors (e.g., retirement or job loss) interact with opportunity structures such as community networks and social support (de Haas, 2021; Dencker et al., 2021). In this context, mosque-based networks provide not only spiritual reinforcement but also social capital and resource access, facilitating economic reintegration for vulnerable groups. Prior studies confirm that community-embedded entrepreneurship enhances resilience and supports business formation among individuals facing labor market constraints (Stam, 2010; Williams & Vorley, 2015).

This illustrates that mosques function not only as places of worship but also as incubators for new entrepreneurs and as catalysts for improving community welfare. A common characteristic of many progressive mosques in Indonesia is their active role in organizing training programs, seminars, thematic study sessions, and discussion forums focused on business development, economic self-reliance, and entrepreneurship grounded in Islamic values. These initiatives are designed to encourage individuals to generate wealth through lawful (*halāl*) means while pursuing an entrepreneurial path that is both blessed (*barakah*) and sustainable.

As one member of the congregation expressed: *“I gained valuable insights from the business training regularly organized by our mosque. Previously, I relied on irregular jobs, but I now run a small business selling halal snacks, which I promote through the mosque community and social media. The support from the ustaz and the congregation has been highly beneficial, not only spiritually but also economically”* (Ilham, Aspiring Entrepreneur, personal communication, February 5, 2024).

This finding suggests that mosque-based programs play a significant role in fostering entrepreneurial capacity building and enhancing self-efficacy. Training activities embedded within religious settings not only develop practical skills but also strengthen individual confidence through value-driven motivation. Prior research has demonstrated that entrepreneurial education and community-based training significantly enhance self-efficacy and business readiness among emerging entrepreneurs (Dencker et al., 2021; Newman et al., 2019).

Furthermore, the integration of spiritual values with practical training highlights the critical role of faith-based environments in shaping entrepreneurial motivation and behavior. In such contexts, moral support and shared belief systems appear to reinforce persistence, resilience, and active market participation (Balog et al., 2014; Smith et al., 2019).

Entrepreneurial perception

The perception of entrepreneurship within mosque contexts is gradually evolving, particularly through engagement in forums such as the Mosque Prosperity Council (DKM). These forums reflect a growing strategic commitment to fostering congregants' economic independence within the mosque's spiritual framework. However, in practice, such initiatives often face challenges, especially because not all mosque administrators have sufficient training or expertise in business management.

At the same time, there has been a noticeable shift in how imams and mosque administrators are perceived. They are increasingly viewed not only as spiritual leaders but also as key drivers of the congregation's economic empowerment. As one member of the DKM explained: *“Initially, our focus was primarily on worship. However, we are becoming increasingly aware that mosques must also address the economic challenges faced by the community. Our imam has begun to actively encourage micro-scale Sharia-based businesses, although we are still in the process of learning how to manage them effectively”* (Yusuf, Mosque Administrator, personal communication, February 12, 2024).

This finding reflects a shift in institutional identity, where mosques evolve from purely religious spaces into agents of socio-economic transformation. This transformation illustrates processes of institutional adaptation in response to changing socio-economic pressures and community expectations (Battilana & Lee, 2014; Mair et al., 2015). Moreover, this shift indicates that mosques are increasingly functioning as hybrid institutions, integrating spiritual and economic roles within a single organizational framework. Such dual roles require not only value alignment but also the development of more formalized governance structures and managerial capabilities to ensure sustainability (Tracey et al., 2014). However, the limited managerial capacity identified suggests that many mosque-based organizations remain constrained by informal management practices. This underscores the need for structured capacity-building, leadership development, and governance strengthening to support their expanded socio-economic role and maintain institutional legitimacy (Uhl-Bien & Arena, 2018).

A member of the Mosque Prosperity Council (DKM) shared an interesting account of imams' economic activities. He recounted the case of an imam who owned several rental business units across the city but had never openly disclosed this to the congregation. This information only came to light indirectly through a renovation worker who had previously worked on one of the imam's properties. A DKM member said, *"I am not sure why he chose to keep it undisclosed. It does not appear that the mosque was adversely affected or that any congregational funds were misused. To the best of my knowledge, there were no irregularities in the financial reports. Nevertheless, it raises the question of why greater transparency was not maintained, especially if the business was personal"* (Fikri, Aspiring Entrepreneur, personal communication, February 18, 2024).

This finding points to emerging concerns regarding transparency and accountability in mosque leadership, particularly when economic activities intersect with religious authority. Limited openness may erode trust, which constitutes a fundamental component of social capital within community-based organizations (Stam et al., 2014; Uhl-Bien & Arena, 2018). Furthermore, the concentration of economic decision-making within a single authority figure appears to generate power asymmetry and potential governance risks, especially in faith-based institutions where moral legitimacy is paramount. Prior studies indicate that the absence of transparent governance mechanisms can undermine institutional trust and diminish stakeholder participation (Mair et al., 2015; Schedelik et al., 2021). These findings suggest that strengthening

ethical governance practices, enhancing financial transparency, and ensuring a clearer separation between religious authority and economic interests are critical for sustaining trust, mitigating potential conflicts of interest, and preserving institutional legitimacy.

The proliferation of mosques and prayer rooms mushrooming in various corners of cities in Indonesia, especially in urban areas, can be interpreted as part of a deeply rooted spiritual entrepreneurship. A comment from a community observer reflects this dynamic: *“It appears to be an emerging trend that, as access to formal income opportunities becomes increasingly constrained, many individuals begin to view mosques as platforms for building economic and social networks. I have also observed that some members of the community are planning to establish prayer rooms not only as places of worship but also as spaces for small business training and development”* (Hassan, Established Entrepreneur, personal communication, March 1, 2024).

This finding suggests the emergence of spiritual entrepreneurship as a viable socio-economic strategy, particularly in contexts characterized by limited formal employment opportunities. In such settings, mosques appear to function as adaptive economic spaces that facilitate informal participation, opportunity recognition, and network-based resource mobilization (Dana, 2010; Williams & Vorley, 2015). Moreover, this trend highlights how religious institutions can serve as alternative entrepreneurial ecosystems, wherein social ties, shared values, and community trust collectively support business formation and growth. Prior research indicates that community-embedded entrepreneurship plays a critical role in enhancing resilience and expanding economic opportunities in resource-constrained environments (Stam et al., 2014). These findings further suggest that mosque-based economic initiatives not only generate income opportunities but also foster inclusive and socially embedded forms of economic development.

This phenomenon reflects a shift in the function of places of worship, which no longer play only a ritual role but are also used as forums for economic and community empowerment and as models for spirituality-based entrepreneurship. As the criticism conveyed by (A., 2007) against houses of worship as private profit-seeking entities, the transformation of mosques as centers of the people's economy in Indonesia also requires caution and transparency to remain based on the principles of Islamic social justice, not becoming an institution that creates new inequalities in the name of spirituality. Islamic teachings emphasize that being rich is not reprehensible as long as the wealth is obtained in a halal way

and used for good, as Allah says in QS. Al-Jumu'ah: 10: *"When the prayer has been performed, then spread out on the face of the earth; and seek the grace of Allah and remember Allah often so that you may be successful."*

As Max (Weber, 2020) argues, within Islamic teachings, hard work and the pursuit of ḥalāl sustenance are regarded as integral forms of worship. Nevertheless, there has been internal criticism among some congregants regarding the increasing commercialization of mosque activities for instance, when bazaars or economic programs become more prominent than religious instruction, or when such initiatives risk shifting the mosque's primary function as a place of spiritual devotion and closeness to Allah.

At the same time, although religiosity may not directly determine socio-entrepreneurial intentions, it significantly enhances perceived desirability. In this regard, the religiosity of Muslim youth tends to shape positive perceptions that foster aspirations and intentions to engage in social entrepreneurship. Consequently, the development of social entrepreneurship among Muslim youth in Indonesia is driven not only by economic considerations but also by deeply held beliefs in creating social value and promoting collective welfare (Khoirunnisa et al., 2023).

This criticism can be understood as a reaction to the perceived instrumentalization of spiritual narratives to legitimize or promote business agendas. Within the Islamic context, such concerns may be linked to the warning conveyed in Surah *At-Takāthur* (102:1–2), which cautions against excessive preoccupation with worldly gain at the expense of spiritual consciousness. It says: *"Boasting has neglected you. Until you enter the grave."*

This verse serves as a reminder that material pursuits should not overshadow the ultimate purpose of life: devotion and piety. In this regard, some congregants raise critical questions about the underlying intentions of mosque-based economic programs, whether they genuinely serve the welfare of the community or whether certain actors may be deriving personal benefit under the banner of "Sharia economic empowerment." Such concerns resonate with the view that some individuals may enter the sphere of religious preaching for economic reasons rather than a genuine spiritual calling.

At the same time, other groups offer a counterargument, emphasizing that mosque administrators or imams who promote economic initiatives should not be regarded as overly worldly. From this perspective, as reflected in QS. *At-Tawbah* (9:60) states that the management and distribution of zakat, as well as

efforts to promote economic justice, constitute integral components of religious responsibility.

Moreover, the enthusiasm of congregants, driven by spiritual motivations such as “spending in the way of Allah” and “planting goodness to reap blessings”, often sustains mosque-based economic activities. This spiritual narrative encourages community members to participate in financial matters actively. However, if such participation is not accompanied by transparent and accountable governance, it may inadvertently reinforce the concentration of power among a small group of mosque elites, thereby transforming the mosque into an instrument of socio-economic control.

This concern is also reflected in the literature. For instance, some scholars (e.g., Symonds et al., 2005, p. 24) argue that certain religious business ventures may function as mechanisms for accumulating substantial financial resources. From this dynamic, several important lessons can be drawn. If mosques are to serve as genuine centers of community economic empowerment, they must: (1) establish transparent and collective governance based on *shūrā* (consultation); (2) cultivate an entrepreneurial culture rooted in Islamic values such as justice, honesty, and social benefit; and (3) function as socio-economic incubators for the broader community, rather than as instruments serving the interests of a limited elite..

Mosques as Centers of Entrepreneurship: the Entrepreneurial Relationship

Mosques can also serve as centers for congregation-based economic activities. This can be realized through various initiatives, such as a jamaah market, a weekly marketplace held in the mosque courtyard or hall where congregants can sell halal products; a mosque-based MSME gallery, consisting of shelves or display spaces to showcase products made by members of the congregation; the digitalization of mosque-based economic activities through community-driven online platforms that promote products and services; and Islamic entrepreneurship classes that provide business training grounded in spiritual values and sharia principles.

Through such approaches, the mosque can maintain the sanctity of its religious function while also serving as a hub of community productivity, rather than remaining passive in economic matters. This transformation positions the mosque not only as a place of worship but also as a center of empowerment and equitable welfare distribution within the Muslim community.

Nevertheless, there are also concerns reflecting a form of pious restraint, particularly regarding the potential commercialization of places of worship.

Within Islamic discourse, this concern is often expressed by congregants or mosque administrators who fear that mosques may gradually shift into commercial centers in ways that could undermine the solemnity of worship. From this perspective, several key principles can be emphasized. First, mosque-based entrepreneurship should be rooted in spiritual values rather than purely profit-oriented motives. Second, the boundary between the sacred and the profane must be carefully maintained. Economic activities may be organized in designated spaces (such as cooperatives or training centers) without disrupting the primary function of the mosque as a place of worship. Third, spirituality should serve as the ethical foundation of economic activity, whereby faith and charitable practice are reflected not only in ritual observance but also in contributions to the community's economic well-being, grounded in honesty, justice, and blessings.

In Islam, the same spirit is reflected in the words of Allah: 'Indeed, those who buy the life of this world by (sacrifice) the life of the afterlife, their punishment will not be lightened from them, and they will not be helped' (QS. Al-Baqarah: 86). Rasulullah quoted by a congregation. He said, *"Our imam maintains strict guidelines regarding conduct within the mosque. He consistently reminds us that the mosque is the house of Allah and should not be used for worldly transactions. Any form of business or trade is expected to take place in designated areas separate from the main prayer space, in order to preserve the sacredness and solemnity of the environment"* (Abdullah, Imam, personal communication, February 8, 2024).

This finding suggests a persistent tension between sacred values and economic activities within mosque environments. It underscores the need for faith-based organizations to carefully balance spiritual integrity and economic engagement, ensuring that commercialization does not undermine religious legitimacy (Schedelik et al., 2021; Tracey et al., 2014). Moreover, this tension reflects the inherent challenges faced by hybrid institutions, where competing institutional logics namely religious norms and market-oriented practices must coexist within a single organizational setting. Such competing logics often necessitate the establishment of clear boundaries, ethical guidelines, and governance mechanisms to mitigate the risk of mission drift and preserve core values (Battilana & Lee, 2014; Mair et al., 2015). These findings further suggest that the development of normative frameworks and value-based governance structures is critical for ensuring that mosque-based economic initiatives remain aligned with their religious mission while effectively accommodating socio-economic functions.

Notably, this perspective appears to represent a minority view within the interview data. In contrast, the findings more broadly indicate that, regardless of the presence of formal strategic intentions, mosques have increasingly evolved into active centers of entrepreneurship. Empirical observations reveal that numerous business transactions are conducted within mosque environments, often facilitated by shared religious identity and trust. This suggests that religious spaces can foster conducive environments for entrepreneurial activities by strengthening social cohesion and lowering barriers to participation. Consistent with this, prior research has shown that religious networks provide valuable access to resources, professional support, and information, particularly for groups that may face exclusion from mainstream economic systems (Dodd & Seaman, 1998).

Entrepreneurial dynamics

Similar to the concept of a “pocket market” (Waldinger et al., 1990), the concentration of religion-based economic activities can also be observed within mosque communities in Indonesia. In areas with a predominantly Muslim population, there is clear potential for the emergence of mosque-centered economic ecosystems. These ecosystems often display characteristics of relatively closed markets, with limited access and informal hierarchical structures. For instance, only mosque administrators or key figures may be granted opportunities to sell certain products, such as Islamic books, halal food, or prayer accessories.

The dominance of particular actors within this ecosystem may also give rise to informal regulatory practices, such as limiting the number of similar traders or granting preferential access to senior congregants or specific community groups. In this sense, the structure may resemble a semi-monopolistic or oligopolistic arrangement within the context of mosque-based entrepreneurship. This pattern reflects a form of “competitive reality” shaped not by formal regulation, but by social norms, trust, and respect for religious authority.

It is important to note, however, that many entrepreneurial activities within mosque environments initially emerge informally. Over time, some of these activities evolve toward greater formalization, including business registration, the adoption of basic accounting practices, and more structured financial reporting. This development highlights the mosque’s role not only as a spiritual center but also as an economic incubator for the community.

Mosque-based entrepreneurship is also gender-inclusive. Despite certain patterns of role differentiation, both men and women actively participate. Women

are often engaged in sectors such as catering services, Muslim fashion, and the organization of religious events. At the same time, men tend to be involved in areas such as entrepreneurial *da'wah* training, mosque facility management, and sharia business consultation.

The social capital generated within mosque communities has significant potential to strengthen broader economic networks. In line with the concept of bridging social capital (Morrow & Scorgie-Porter, 2017), large mosques that bring together individuals from diverse ethnic, professional, and age groups serve as important meeting points across communities. This diversity fosters more inclusive and expansive social connections, which are essential for the growth of community-based entrepreneurial ecosystems.

In many instances, mosque-based entrepreneurs are able to extend their reach across sectors and regions through congregation networks or mass organizations. As one entrepreneur actively involved in mosque activities noted: *"We feel like one large family within our mosque community. I sell Muslim clothing and halal food to congregants from diverse regions and backgrounds, including those from outside the area who frequently attend religious study sessions and large religious gatherings"* (Rahman, Established Entrepreneur, personal communication, February 18, 2024).

This finding suggests that mosques play a pivotal role in fostering both bonding and bridging social capital, which are essential for facilitating market access, trust-building, and business expansion. Strong interpersonal ties within religious communities enable more efficient information exchange and resource mobilization, thereby reducing transaction costs and enhancing opportunities for collaboration (Morrow & Scorgie-Porter, 2017; Stam et al., 2014). Moreover, these networks appear to function as informal entrepreneurial ecosystems, wherein shared values and trust-based relationships reinforce business resilience and long-term sustainability. Prior studies indicate that community-embedded networks significantly enhance firm performance and generate competitive advantages, particularly for small and informal enterprises (Welter et al., 2017). These findings further suggest that mosque-based networks not only support individual entrepreneurial activities but also con This phenomenon illustrates that mosques function not only as places of worship but also as dynamic centers for strengthening economic networks across Muslim communities.

Discussion

New forms of community-based entrepreneurship are increasingly emerging and developing within the sphere of mosque activities. This phenomenon challenges conventional understandings of the mosque, which have traditionally viewed it solely as a center for ritual worship. The growing presence of economic activities within and around mosques raises an important question: should mosques be regarded merely as places of worship, or also as socio-economic catalysts? In this context, a tension arises between the ideals of spirituality and the community's practical economic needs.

At the individual level, entrepreneurs operating within mosque environments often experience an internal dynamic between sincere religious intentions and pragmatic economic motivations. Nevertheless, many of them succeed in forming a new kind of subjectivity becoming entrepreneurs who remain grounded in Islamic values as the basis of their ethics and objectives. This orientation is reflected in the saying of the Prophet Muhammad (peace be upon him): *"The best income is that earned by a person through their own efforts, and every honest transaction is blessed"* (HR. Ahmad).

In this sense, the mosque evolves into more than a space for spiritual devotion; it also becomes a supportive environment for community empowerment, helping to mitigate social exclusion and economic inequality. Guided by the spirit of *ukhuwah* (Islamic brotherhood), mosque-based social networks function as a form of social capital that connects individuals across different economic backgrounds and ethnic groups.

From a broader theoretical perspective, this dynamic can be understood through the notion of "the politics of ourselves" (Falzon, 1998), which frames processes of self-identification as moral and reflective engagements with wider social conditions. In this context, mosque-based entrepreneurship can be seen as contributing to the construction of new forms of identity, where religious, economic, and social dimensions intersect to produce more inclusive and resilient community subjectivities

The Foundation of Spirituality as Economic Capital in Mosques

The economic success of some mosque congregations is further strengthened by the reinterpretation of religious teachings that are narrative and down-to-earth. The tendency of Muslims to refer directly to the verses of the Qur'an and the hadith of the Prophet demonstrates a commitment to the literalism of religious texts. In

this context, the justification for the congregation's entrepreneurial activities under the auspices of the mosque ecosystem rests on a literal and applicable understanding of sharia texts that encourage the congregation to work, trade, and be economically independent. This commitment is rooted in the belief that Islam does not separate worldly life and the afterlife. The Qur'an states: *"And seek what Allah has bestowed upon you (happiness) in the land of the afterlife, and do not forget your share in this world..."* (QS. *Al-Qashash*: 77).

In line with the concept of religious capital as put forward by Witham (2010), mosques function not only as spiritual centers but also as sources of social and economic strength. In the midst of economic and social uncertainty, people make rational choices rooted in religious values to obtain blessings in life and economic stability.

Mosques, with their social networks and religious symbolism, are strategic places to plant and grow capital of trust, solidarity, and economy. The rational choice to make mosques the center of community entrepreneurship is a synthesis of spiritual idealism and pragmatic needs, as well as an effort to strengthen the community's dignity within the broader social structure.

The advantages of social capital may be more pronounced and evident in religious entrepreneurship than in other forms of ethnic entrepreneurship – a strong foundation for the cultivation of a "people's economy" in which religious entrepreneurs tend to thrive and prosper because many entrepreneurial activities are initiated and sustained within a few places of worship. It is also the case that "bridging social capital", as suggested by (Putnam, 1996), is evident in most large African Pentecostal churches. This is likely to facilitate the "breakout" logic deemed necessary for successful ethnic entrepreneurship (Deakins, 1999).

Several important policy implications emerge from the transformation of mosques into spiritual and economic centers. Mosques in Indonesia especially in urban and suburban areas have developed into social hubs that reach out to wider communities, including economically vulnerable groups and micro-entrepreneurs. Mosques are not just places of worship; they can also serve as connecting institutions between communities and government, as well as between the private sector and government empowerment programs. Policymakers and MSME support institutions need to view mosques as strategic partners in delivering and implementing community economic development programs, especially to increase social and economic inclusion.

Muslim entrepreneurs, especially among local ethnic groups and lower-middle urban groups, can be directed to access professional support, training,

and financing channeled through mosque networks. By utilizing two network channels namely, mosque-based religious networks and mainstream networks such as cooperatives, BUMDes, or business incubators the breakout from traditional economic dependence to productive, independent entrepreneurship becomes more possible. This synergy not only strengthens the resilience of community businesses but also serves as an effective means of supporting the national development agenda based on grassroots community participation.

Conclusion And Recommendation

This study highlights how the interplay of religion, spirituality, and social capital shapes entrepreneurship within mosque environments. It demonstrates that mosques in Indonesia are no longer limited to ritual functions but have evolved into socio-economic spaces that facilitate community-based entrepreneurship. These findings reinforce the role of religious networks in supporting entrepreneurial development and creating conducive environments for economic growth.

The study also underscores the importance of integrating spiritual values with economic practices. Positioning mosques as centers of empowerment shows how Islamic principles can guide ethical, inclusive, and sustainable entrepreneurship. At the same time, the findings reveal the need for clearer policies and institutional support to ensure that mosque-based economic activities remain equitable and aligned with their spiritual foundations.

Overall, this research contributes to a more nuanced understanding of spirituality-based entrepreneurship and highlights the potential of mosques as strategic actors in promoting community welfare and economic resilience in Indonesia.

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