

REVITALIZING MOSQUES AS MICROENTERPRISE INCUBATORS: A STUDY OF THE BAZNAS MOSQUE-BASED MICROFINANCE PROGRAM IN INDONESIA

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ABSTRACT: This study aimed to analyze the revitalization process of the mosque function as a micro-enterprise incubation institution based on local wisdom through the implementation of the BAZNAS Mosque-Based Microfinance Program (BMM) in Indonesia. Historically, mosques played multidimensional spiritual, social, political, and economic roles, yet in the modern context, many mosques have experienced a reduction in function so that they only focus on ritual activities. This research addresses the knowledge gap concerning mosque-based economic empowerment models that integrate Islamic values with local cultural wisdom. Using a descriptive qualitative approach and exploratory case studies in four mosques in Metro City, data were collected through in-depth interviews, participatory observations, and documentation, and analyzed using thematic techniques. The results of the study show: (1) there is a transformation of the mosque's function from a ritual institution to a socio-economic center through business development, entrepreneurship training, strengthening congregational capital, and micro-financing services; (2) the mosque-based micro-enterprise incubation model combines Islamic values such as trust, justice, and welfare with local wisdom such as cooperation and deliberation; (3) strengthening the capacity of mustahik takes place through structured training, intensive mentoring, and community market networks; (4) the governance of the BMM program encourages institutional collaboration between mosques, BAZNAS, facilitators, and the congregational community; and (5) this mosque revitalization model is able to increase the economic independence of mustahik and strengthen the institutional sustainability of mosques as centers for community empowerment. This research provides theoretical contributions to the development of a community-based Islamic economic empowerment model and practical contributions for mosques, zakat institutions, and local governments in designing contextual, participatory, and sustainable micro-business incubation.

Keywords: Mosque, economic empowerment, micro-business incubation, local wisdom, BAZNAS Mosque Microfinance

I. INTRODUCTION

From a historical and sociological perspective, mosques have a fundamental role in the development of Islamic civilization. Since the early days of Islam, mosques have not only been places of ritual worship, but rather a multidimensional institution that supports various aspects of Muslim life, from education and social, political, and economic aspects. Al-Faruqi emphasized that the mosque is the center of Islamic civilization, uniting spiritual values, social structures, and the agenda for transforming Muslim society [1]. This shows that conceptually, mosques never existed as passive entities, but as instruments of social change that go beyond mere ritual functions. During the time of the Prophet Muhammad SAW, mosques served as centers for effective and inclusive community organizing. Mosques became spaces for learning, deliberation, and strengthening congregation-based economic structures [2]. Within the mosque, the management of zakat, alms, waqf, and various forms of social solidarity was carried out in a structured manner, thereby strengthening the social cohesion of the Medina community. This management model made the mosque a community development center that integrates spirituality with economic empowerment. However, the modern context shows a reduction in the function of mosques. Many mosques in Indonesia now function only as ceremonial places of worship, no longer as institutions for empowering the community. This degradation was triggered by weak institutional management, a lack of program innovation, minimal governance literacy, and a lack of collaboration with external institutions [3]. As a result, the mosque's substantial potential to contribute to community welfare remains underutilized. This condition becomes even more concerning when juxtaposed with the growing complexity of socio-economic problems faced by lower-

middle-class communities. Mosques, which historically served as agents of empowerment, currently lack structured programs capable of addressing issues such as poverty, economic vulnerability, and the need to enhance congregational welfare. Therefore, revitalizing the socio-economic function of mosques is a strategic imperative that must be carried out in a systematic manner.

In the context of the national economy, micro-enterprises are a sector that plays a significant role. Data from the Ministry of Cooperatives shows that UMKM contribute more than 60% of Indonesia's GDP (Ministry of Cooperatives and SMEs of the Republic of Indonesia, 2023) [4]. However, many micro-entrepreneurs, including those within mosque communities, face chronic obstacles such as limited access to capital, low managerial capacity, limited digital literacy, and limited market access. Tambunan emphasized that these structural obstacles continue to hamper the ability of micro-enterprises to develop sustainably [5]. In this context, mosques are seen as having great potential to transform into micro-enterprise incubation institutions. Through incubation, entrepreneurs can receive training, mentoring, financing, and marketing facilitation. Khafid stated that mosques have strong social legitimacy, making them effective community-based incubation centers due to the emotional closeness between the congregation and mosque administrators [6]. This model integrates spirituality with an empowerment ecosystem. Local wisdom is an important pillar in building a mosque-based micro-enterprise incubation ecosystem. Cultural values such as mutual cooperation, deliberation, collective work ethic, and social concern have long been the social capital of Indonesian society. Geertz explained that social capital based on local culture is the main driver of community sustainability [7].

The integration of Islamic values with local wisdom positions mosques as empowerment institutions that are more adaptive to the community's social context. In mosque-based microenterprise incubation programs, Islamic business ethics constitute a central foundation. Values such as honesty (*sidq*), responsibility (*amānah*), justice, and a commitment to community welfare must be instilled as the basis of economic behavior. The application of these ethics is also in line with the *maqasid al-syariah* obligatory duties of the Prophet Muhammad), which emphasizes the preservation of religion, life, property, intellect, and descendants as part of holistic well-being. Previous research has shown that the role of mosques in economic empowerment remains partial. Found that many mosque economic programs lack a structured institutional design and are poorly integrated with the needs of the congregation [8]. The programs implemented are ad hoc and therefore do not provide sustainable impact. Rahman and Bukhari, in a cross-national study, showed that mosques tend to be passive in economic empowerment due to weak financial governance, minimal human resource competency, and a lack of synergy with external institutions [9]. However, as socio-religious entities, mosques have great potential to become agents of community development. The Islamic economic approach demands the integration of spirituality, institutions, and community participation. Haneef and colleagues explain that community empowerment from an Islamic economic perspective must be holistic, encompassing moral, social, and economic aspects [10]. Therefore, revitalizing mosques as micro-business incubation institutions requires an integrative approach that combines all of these dimensions.

The results of an international literature search using Open Knowledge Maps indicate that there are many studies on mosque-based economic empowerment, but research specifically discussing mosques as micro-business incubators is very limited. Of the 104 articles found, only three discussed the role of mosques as centers of entrepreneurship. This highlights the existence of a knowledge gap that requires further scholarly attention. To date, no study has conducted an in-depth examination of the integration of local wisdom within mosque-based incubation models. In fact, in Indonesia's culturally diverse context, local wisdom plays a significant role in determining the success of community empowerment programs. The absence of such research indicates that studies combining the perspectives of Islamic economics, cultural anthropology, and institutional analysis remain limited. This research gap gives rise to the need to develop a mosque revitalization model that is comprehensive, contextual, and oriented towards sustainability. A micro-business incubation model based on local wisdom not only provides economic solutions but also strengthens the cultural and spiritual identity of the Indonesian Muslim community. Indonesia's socio-cultural context provides strong strategic value to The importance of revitalizing the function of mosques. Mosques are not only religious symbols but also centers of culture and social interaction. With the development of the digital economy and changing patterns of social interaction, mosques have the potential to become learning spaces for modern economics

for their congregations. To realize mosques as micro-enterprise incubators, a standardized management system is needed, ranging from planning, financial governance, human resource management, to program monitoring and evaluation. Without a strong governance framework, incubation programs will struggle to achieve sustainability. Revitalizing mosques as business incubation institutions also requires strategic collaboration with external institutions such as BAZNAS, Islamic Microfinance Institutions, universities, and local governments. The presence of BAZNAS Microfinance, particularly the BAZNAS Microfinance Mosque (BMM) program, serves as a concrete example of integrative efforts to strengthen the congregation's economy through business capital, mentoring, and financial education. A participatory approach is also crucial to the success of mosque-based incubation programs. Congregation involvement in program planning, implementation, and monitoring will ensure that the program truly aligns with community needs. This approach also strengthens a sense of collective ownership of the empowerment program. To achieve sustainability, a mosque-based incubation model Mosques must be able to increase the capacity of business actors so they can be independent and not continuously dependent on aid. Furthermore, sustainability also concerns the mosque's ability to maintain its long-term incubation institutional system, including financing, management cadre development, and strengthening the congregation's business network. Therefore, this research is of great academic and practical importance. Its main objective is to formulate a model for revitalizing mosques as micro-enterprise incubation institutions based on local wisdom through an analysis of the implementation of the BAZNAS Mosque-Based Microfinance Program in Indonesia. This model is expected to contribute not only to the development of mosque-based empowerment theory but also to generate practical, contextual, and sustainable policy recommendations for strengthening the community's economy.

II. METHOD

This study used a descriptive qualitative approach as the main framework to deeply understand the process of revitalizing mosques as microenterprise incubators: a study of the BAZNAS mosque-based microfinance program in Indonesia. This approach was chosen because the study intends to explore social realities, cultural values, and institutional dynamics of mosques that cannot be captured through numbers or measurable variables alone. From a methodological perspective, mosques are seen not only as physical buildings, but as social arenas where interactions, community leadership, distribution of Islamic values, and economic practices of the congregation take place. Therefore, qualitative methods are the most appropriate tool to capture this holistic reality, as Creswell emphasized that qualitative research is effective when researchers want to understand meaning in a natural and complex context [11]. This research design used an exploratory case study to reveal the pattern of mosque revitalization as a center for micro-business incubation that has not been widely studied scientifically in Indonesia. Exploratory case studies allow researchers to

delve into the real practice of managing the BAZNAS Mosque-Based Microfinance program which has a variety of forms, strategies, and results. This approach is also relevant considering that the phenomenon of mosques as micro-enterprise incubators represents a new innovation in the development of the Muslim economy that still requires a well-established theoretical framework and empirical model. Through case studies, researchers can examine these program practices contextually and in-depth, resulting in a more comprehensive picture [12].

The research locations were determined using purposive sampling based on the consideration that these mosques have demonstrated a strong track record in congregation-based economic empowerment. Several mosques that served as the main research locations, such as the Taqwa Mosque, Nurul Huda Mosque, Nurul Amal Mosque, and Baitul Qorib Lampung Indonesia Mosque, have developed various empowerment initiatives ranging from business training, fostering productive groups, to assisting mustahik in utilizing microfinance. The selection of locations with empirical experience allows the research to capture the implementation patterns of mosque function revitalization clearly and purposefully [13]. The four mosques demonstrate a variety of economic empowerment models that enrich the analysis process. For example, some mosques develop congregational cooperatives as a means of strengthening community capital, while others prioritize regular entrepreneurship training as a strategy to increase the capacity of mustahik. This variation in practices is important because it is directly related to the research focus on local wisdom and how these values are internalized in the mosque-based micro-enterprise incubation model. By comparing practices across locations, researchers can understand how structural factors, environmental cultural values, and collaboration with BAZNAS play a role in the success of community economic empowerment [14]. The research subjects included four main groups:

No	Name	Profession
(1)	(2)	(3)
1	Joko Suroso	BAZNAS Metro City administrators as the institution providing financial assistance and mentoring
2	Zajuli	The administrators of Taqwa Mosque in Metro City, Indonesia, as decision-makers for economic programs
3	Ibrahim	The administrators of Nurul Huda Mosque in Metro City, Indonesia, as decision-makers for economic programs
4	Agung Fajar Hidayat	The administrators of Nurul Amal Mosque in Metro City, Indonesia, as decision-makers for economic programs
5	Catur Febriatmoko	The administrators of Baitul Qorib Mosque in Metro City, Indonesia, as decision-makers for economic

		programs
6	Mahfud	Companion for the Baznas Mosque Microfinance Program (BMM)
7	Inamul Hasan	Companion for the Baznas Mosque Microfinance Program (BMM)
8	Dodi Kurniawan	Program beneficiaries (<i>mustahik</i>)
9	Giyat Mulyadi	Program beneficiaries (<i>mustahik</i>)
10	Aldi Awaludin	Program beneficiaries (<i>mustahik</i>)
11	Suripto	Program beneficiaries (<i>mustahik</i>)

This diversity of perspectives allows researchers to understand the revitalization of mosque functions from various perspectives, from the policy level, institutional governance, business mentoring operations, to the personal experiences of entrepreneurs in facing economic challenges. This multi-actor approach enriches the depth of research findings [15].

Data collection techniques were carried out through in-depth interviews, participant observation, and documentation studies. In-depth interviews were used to capture the views, experiences, and subjective meanings of informants regarding the role of mosques as micro-enterprise incubation centers. In line with Patton's view, in-depth interviews provide space for informants to express their perspectives in detail and freely [16]. Participatory observation was conducted by directly engaging in various empowerment activities, such as entrepreneurship training, group meetings, and the operations of congregational cooperatives. This approach is important for understanding social processes that occur in natural settings, as Spradley stated that participant observation opens access for researchers to see the social world from the perspective of participants (Bowen, 2009) [17]. In addition, documentation studies were conducted by analyzing program documents, activity reports, photos, training modules, and mosque social media publications. These documents serve as additional data that strengthen field findings. Bowen emphasized that documentation studies are an important part of data triangulation because they can provide historical and administrative information that does not always emerge in interviews [18].

Data analysis was conducted using thematic analysis techniques as developed by Braun and Clarke. The analysis process began with the transcription of interviews and observation notes, followed by an open coding process to identify important patterns. These codes were grouped into categories and then organized into main themes, such as the institutional function of mosques, micro-enterprise development strategies, internalization of local wisdom values, and the institutional relationship between mosques and BAZNAS [19]. The entire analysis process followed the Miles, Huberman, and Saldaña framework which emphasizes three main stages: data reduction, data presentation, and conclusion drawing [20]. To ensure the validity of the data, this study applied triangulation of sources, techniques, and time. Triangulation of sources was carried out by comparing

data from various actors such as mosque administrators, program facilitators, BAZNAS, and mustahik. Technical triangulation was conducted by combining interviews, observations, and documents, while temporal triangulation was conducted by collecting data on several different occasions to see the consistency of information [21]. Member checking was also conducted to ensure that the researcher's interpretation remained in line with the informant's intended meaning. Lincoln and Guba emphasized that member checking is an important procedure in maintaining the credibility of qualitative research [22]. This study also implemented an audit trail to ensure transparency and reliability of the analysis process. The audit trail includes complete documentation of the entire research process, from field notes and analytical memos to methodological decisions. This process helps ensure that the research has a high level of dependability [23]. Discussions between researchers and consultations with methodological experts were also conducted to sharpen the analysis and minimize subjective bias.

By applying this rigorous methodology, the research is expected to produce a comprehensive understanding of how mosques in Indonesia, through the support of the BAZNAS Microfinance Program, can revitalize their function as micro-enterprise incubation institutions based on local wisdom. The research results are expected to not only provide theoretical contributions to the study of Islamic economic empowerment, but also provide practical recommendations for mosques, zakat institutions, and local governments in developing effective and sustainable community-based economic empowerment models [24].

III.RESULT

Based on the results of observations, interviews, and documentation at four mosques implementing the BAZNAS Mosque-Based Microfinance program in Metro City, Lampung, Indonesia (Taqwa Mosque, Nurul Huda Mosque, Nurul Amanah Mosque, and Baitul Qorib Mosque), five main results were found that directly describe the process of revitalizing the function of mosques as incubation institutions for micro-enterprises based on local wisdom.

Mosques are undergoing a transformation from a ritual function to a socio-economic institution for the community.

The research results show that the implementation of the BAZNAS Mosque-Based Microfinance program has driven a significant transformation in the function of mosques in contemporary Muslim society. This was confirmed by the Taqwa Mosque management, who stated: "Previously, this mosque was only busy during prayer times. Since the BMM program, there have been business training sessions, capital services, and even a product bazaar for the congregation almost every day. The mosque has become more vibrant, and the congregation feels the benefits." (Jazuli, 2025). Mosques are no longer understood merely as ritual worship spaces, but have evolved into centers of socio-economic activity that drive the independence of the congregation. Field observations also show that the mosque's multipurpose room has been used for UMKM training attended by dozens of

participants, while the mosque courtyard is filled with bazaar stands for congregational business products. The mosque's information board displays the schedule of economic activities and program progress reports, indicating a real change in function. This transformation is evident through the formation of mosque economic units, the holding of business training, the provision of bazaar space for congregational products, and the birth of community-based microfinance services managed in a participatory manner.



Training activity documentation

A training participant said: "Initially, I only sold small items. After participating in training at the mosque and receiving capital from BMM, I gained more confidence. The mosque truly became a place to learn and develop my business." (Kurniawan, Dodi, 2025). These changes are not only a form of adaptation to the times, but also an effort to restore the historical role of the mosque as it was during the time of the Prophet Muhammad SAW, which was the center of civilization, social discourse, and economic empowerment of the community. The historical-analytical observations conducted in this study indicate that the empowerment pattern in BMM bears similarities to the functions of mosques in the early days of Islam, where the mosque space became a place of meeting, deliberation, and economic management of the community. From a revitalization perspective, the BMM program has proven to be a catalyst that broadens the horizon of the mosque's function, from merely a place of ritual to an empowerment institution that provides real socio-economic impacts for the Muslim community at the grassroots level. This conclusion is reinforced by the statement of one community leader who said, "The BMM program is like reviving the role of mosques that had previously been lost. Now, congregants feel closer to the mosque, not only for worship but also for finding economic solutions." (Efendi, Saiful, 2025)[].

Micro Business Incubation Model Builds Synergy between Islamic Values and Local Wisdom.

The micro-business incubation model developed within the BMM program exhibits unique characteristics that distinguish it from conventional incubation patterns. In an interview, one of the BMM mentors at the Taqwa Mosque explained, "The mentoring here isn't just about business, but

about how the congregation conducts their business based on the Islamic values of honesty, trustworthiness, and discipline. That's what we always emphasize." (Mahfud, 2025). This incubation program focuses not only on the transfer of business skills or technical knowledge, but also on instilling Islamic values such as trustworthiness, honesty, hard work, discipline, and a blessing orientation. Field observations show that each training session always begins with a prayer, a brief reflection, and an emphasis on Islamic work ethics, so that the training atmosphere feels both religious and productive. These Islamic values are then combined with local wisdom that has long been embedded in the community's culture, such as mutual cooperation (gotong royong), business visits, village deliberations, and mentoring based on family and community closeness. A community leader acknowledged this by saying, "This program is easily accepted because it doesn't shift our culture. Instead, it strengthens local wisdom, such as mutual cooperation." (Efendi, Saiful, 2025). Observations also found that informal business visits were conducted by mentors traveling around the village to visit congregants' businesses to provide brief guidance while maintaining emotional closeness. This integration of religious and local cultural dimensions makes the BMM program contextual, easily accepted, and more deeply rooted in the lives of congregants. One businessperson even stated, "Learning about business at the mosque felt more intimate and less stressful. The mentors were like family, and we were taught not just how to sell, but how to run a successful business." (Dodi Kurniawan, 2025). As a result, micro-entrepreneurs not only improve their technical business competencies, but also develop character in accordance with Islamic business ethics and local culture. Observations of participants indicate behavioral changes, such as increased punctuality, neater, simpler bookkeeping, and a commitment to honesty with customers. Thus, this mosque-based incubation model based on local wisdom is capable of producing deeper transformation, not only economic but also moral and social. Field notes indicate that the fostered business community. The mosques are becoming more solid, helping each other in marketing, small capital, and sharing raw materials, a form of social strengthening that emerged organically from the incubation process.

Mosque Takmir Acts as Architect of Mosque-Based Economic Ecosystem.

The success of revitalizing a mosque's function as a micro-business incubator is largely determined by the quality of leadership and managerial capacity of its administrators. In an interview, one of the Baitul Qorib Mosque administrators explained, "If we don't manage the flow well, the congregation will be confused. So we have to ensure the program runs orderly, in accordance with Islamic law, and meets the needs of the community." (Febriatmoko, 2025). The mosque administrators are central actors in designing, driving, and maintaining the sustainability of the mosque-based economic empowerment ecosystem. Field observations show that mosque administrator meetings are open, attended by representatives of the congregation and assisted business actors, demonstrating an inclusive and dialogical leadership style. They act as liaisons between the congregation and

various stakeholders in the BMM program, including zakat institutions, sharia cooperatives, the MSME office, training institutions, and universities. A Nurul Huda Mosque administrator stated, "We can't work alone. For training, we partner with the UMKM Department; for capital, we contact BAZNAS. We connect everything so the congregation has complete access." (Ibrahim, 2025). The Takmir organizes congregational participation, prepares facilities and infrastructure, manages activity mechanisms, and ensures that the entire process is carried out in accordance with sharia principles and the needs of the local community. Observations show that the Takmir actively organizes training rooms, prepares business equipment, and directly monitors participant attendance, demonstrating strong operational involvement. The leadership they display is collaborative and dialogical, far from a top-down bureaucratic model, thus fostering a sense of ownership and increasing congregational participation. One program participant said, "We feel valued because every decision is discussed. The Takmir doesn't just give orders, but listens first." (Giat, M, 2025). Thus, the mosque committee functions as an ecosystem architect capable of creating an inclusive, productive, and sustainable economic environment under the auspices of the mosque institution. Observation notes also show that the congregation appears enthusiastic about participating in various economic units, such as congregational cooperatives, product bazaars, and business training, as a result of the ecosystem design designed by the mosque committee.

Integrated Economic Strengthening Program with Islamic Da'wah and Education.

The BMM program not only offers economic activities but also presents an empowerment model integrated with Islamic missionary work and education. In an interview, a program facilitator emphasized, "We always begin every business training session with values reinforcement. Business and morals are inseparable." (Hidayat, Fajar, Agung, 2025). MSME training, sharia entrepreneurship workshops, and business mentoring are always interspersed with reinforcement of spiritual values and Islamic business ethics, such as honesty, professionalism, responsibility, and a blessing orientation in business. Field observations show that training sessions do not only focus on technical material, but also begin with recitations, brief studies, and spiritual reflections guided by the takmir. These activities create a religious atmosphere that links business practices with the values of worship. The da'wah bil-hal approach is strong in the implementation of this program, where mosques not only convey religious messages through lectures but also through economic practices that provide concrete solutions for the welfare of the congregation. One training participant said, "We learned not only how to sell, but also how to trade in a halal and blessed way. This makes our business more peaceful." (Awaludin, Aldi, 2025). This integration creates harmony between increasing family economic capacity and building spiritual character, so that the mosque functions as a center for comprehensive social transformation. Observations of mentoring activities also show that mentors not only provide technical business guidance but also frequently visit

homes or business locations while providing religious advice and moral motivation. Thus, mosque revitalization not only produces competent entrepreneurs but also forms a community that possesses ethics, integrity, and religious awareness in carrying out economic activities.

Program Sustainability Challenges Addressed through Adaptive and Collaborative Responses.

Although the mosque revitalization through the BMM program has shown positive impacts, various challenges remain in its implementation. These challenges include fluctuating levels of congregation participation, limited professional human resources familiar with economic program management, and weak documentation and reporting systems necessary for program sustainability. Researchers' observations at three assisted mosques indicate that in certain months, training activities experience a decline in participant numbers, particularly when congregations are busy with seasonal activities such as harvest time or other local activities. This situation was confirmed in an interview with one of the mosque administrators, who stated that *"Sometimes participants drop out because they're focused on work, so we have to be smart about managing the schedule so that it can still run."* (Ibrahim, 2025). However, the mosques that were the research sites demonstrated strong adaptive capacity. They responded to challenges by Improving management competency through management training, strengthening networks with local governments, zakat institutions, Islamic financial institutions, and various other strategic partners. In an interview with the BMM program coordinator, he explained that *"Mosque administrators now routinely attend technical guidance on financial management and reporting so that program administration is more organized."* (Susilo, Joko, 2025). The researcher's observations also revealed regular meetings between mosque administrators and BMM facilitators to evaluate achievements and develop collaborative strategies with external parties. This cross-sectoral collaborative approach allows the mosque to continue running its programs productively despite limited resources. This institutional adaptation demonstrates that the program's sustainability depends heavily on the mosque's ability to continuously learn, innovate, and build strong partnerships with the external environment. As emphasized by one of the DKM chairpersons in an interview, *"We realize we can't do it alone; if we want this program to last, we have to keep learning and collaborating with many parties."* (Jazuli, 2025). These five findings clarify that the revitalization of the mosque's function as a micro-enterprise incubator based on local wisdom, as realized through the BAZNAS Mosque-Based Microfinance program, is determined by the integration of Islamic values, local culture, and the mosque's institutional capacity. The program's success rests not only on capital or technical training, but is most strongly built through the strength of local social, spiritual, and traditional values inherent in the congregation's life. With these characteristics, mosques have proven capable of becoming centers for contextual, effective, and sustainable economic empowerment.

IV.DISCUSSION

The results of this study confirm that mosque revitalization through the implementation of the BAZNAS Mosque-Based Microfinance program can provide new functions relevant to the needs of modern society. Mosques are no longer positioned solely as centers of ritual worship, but are instead moving into the transformative socio-economic realm. The concept of mosques as micro-enterprise incubators based on local wisdom reflects a new form of da'wah that is applicable, productive, and contextual. This is in line with the thoughts of contemporary Islamic intellectuals who emphasize the urgency of the role of religious institutions in encouraging community empowerment [25].

Mosques as the Axis of Empowering the Community's Economy.

Findings at the research location indicate that mosques manage MSME training, business mentoring, and community-based capital facilitation. These activities are evidence of the mosque's transformation into an active social empowerment institution in line with the historical practice of the Prophet's Mosque, which has been a center for community development since its inception (Ira M. Lapidus, 2014) [26]. The presence of BMM business units and programs within the mosque environment is not merely an adaptation to modern economic challenges, but a manifestation of the principle of *khairu ummah* (QS. Ali Imran: 110), which emphasizes the balance between spirituality and productivity in building shared prosperity (Ministry of Religious Affairs of the Republic of Indonesia, 2019) [27].

Micro-Business Incubation Based on Local Wisdom as an Integrative Model.

The micro-business incubation model developed within the BMM program exhibits distinctive characteristics that distinguish it from formal incubation: participatory, value-based, and integrated with local wisdom. Cultural practices such as mutual cooperation, deliberation, village solidarity, and social brotherhood serve as ethical foundations as well as social instruments that strengthen relationships between business actors and between congregations and mosques. This aligns with the theoretical framework of social capital, which emphasizes the role of trust, shared norms, and local networks as determinants of successful economic empowerment [33] and is consistent with Geertz's anthropological view of the importance of local culture in supporting community social activities [29]. Thus, mosques emerge as producers of capital, social which is effectively converted into a sustainable microeconomic force.

Participatory Leadership of Takmir and Multi-actor Collaboration.

Revitalizing the mosque's function as a micro-enterprise incubator relies heavily on the dialogic and participatory leadership of its mosque committee. Unlike top-down bureaucratic models, mosque committee leadership in the BMM program emphasizes collaborative processes, open communication, and building trust between actors. These findings reinforce the theory of participatory development, which emphasizes self-reliance-based empowerment and

active community involvement (Robert Chambers, 1997) [30]. Collaboration between mosques and zakat institutions, sharia cooperatives, local governments, and MSME networks demonstrates that mosques can serve as strategic nodes in the local empowerment ecosystem. Consequently, mosque governance needs to be strengthened to ensure that it is not only religious but also professional, transparent, and oriented toward public service.

Economic Da'wah: Integration of Spiritual and Productive Dimensions.

Field findings that every BMM business training, mentoring, or workshop is always accompanied by the instillation of spiritual values and Islamic business ethics demonstrate that mosques have the capacity to carry out economic da'wah. Da'wah is not only delivered through verbal lectures, but also through concrete actions that support the economic survival of the congregation. This concept aligns with the concept of da'wah bil hal, namely da'wah through action and solving real community problems. (Ahmad Rofiq & Jamhari, 2021) [31]. Thus, revitalizing the function of mosques is not sufficient through physical and ritual strengthening, but must be accompanied by a transformation of the da'wah paradigm towards a more holistic, productive, and contextual approach.

Challenges of Sustainability and the Importance of Standardizing Mosque Incubation Models.

Although the implementation of the BMM program has shown significant success, the sustainability of the program still faces challenges, including a lack of professional documentation, a shortage of human resources with economic competencies, and the absence of a standardized mosque management model. This condition indicates the need for a more systematic mosque institutional design through management training, the development of a blueprint for mosque-based micro-business incubation, and clearer and more adaptive community empowerment regulations (Mohammed Aslam Haneef et al., 2014) [32]. The absence of national standards in mosque-based economic empowerment presents an opportunity for the development of a model that can be widely replicated while maintaining the integration of Islamic values and local wisdom.

V. CONCLUSION AND SUGGESTIONS

Conclusion: This study concludes that mosques have strategic and historical potential as centers for the economic empowerment of the community. However, this role has been diminished in the modern context, necessitating a more integrative, systematic, and locally-wisdom-based revitalization model. Historically, mosques have been centers of Islamic civilization, organizing the fields of worship, education, social affairs, and the economy. However, in the contemporary context, the majority of mosques in Indonesia have experienced a reduction in function due to weak governance, minimal program innovation, and the absence of institutional design sustainable development. This study found that revitalizing mosques as micro-enterprise incubation institutions based on local wisdom is an urgent need considering the socio-economic challenges faced by congregations, especially micro-entrepreneurs who still face

limited capital, minimal managerial capacity, and low digital literacy and market access. The mosque-based micro-enterprise incubation approach can be effective because mosques have high social legitimacy, emotional closeness with the congregation, and strong social capital. Field findings indicate that economic empowerment programs run by mosques, particularly through the BAZNAS Mosque-Based Microfinance Program, have made positive contributions through business training, intensive mentoring, group strengthening, and sharia-based financing. However, the effectiveness of the program is greatly influenced by the quality of mosque governance, the competence of the management, the ability to build collaboration, and the ability to and the model's suitability to local wisdom values such as mutual cooperation, deliberation, and the collective work ethic of the local community. The study also identified that the integration of Islamic values with local wisdom is a key factor in the success of the mosque-based business incubation model. Islamic business ethics, including shidq, amanah, justice, and orientation towards the welfare of the community, serve as the moral foundation for business actors. Meanwhile, local wisdom strengthens a sense of togetherness, congregational participation, and social acceptance of the program. Thematic analysis of field findings indicates that the main challenges to revitalizing mosque functions include weak institutional design, lack of management cadre development, the absence of incubation management standards, and minimal synergy with external institutions. Therefore, this study emphasizes that the mosque-based micro-business incubation model must be designed with a strong governance framework, encompassing planning, management, and implementation financial management, human resource development, and monitoring and evaluation mechanisms. Furthermore, strategic collaboration with BAZNAS (National Agency for Islamic Development), Islamic microfinance institutions, universities, and local governments is crucial to ensuring the program's sustainability. Academically, this research addresses the research gap related to the limited number of studies discussing mosques as micro-business incubators and the absence of studies integrating Islamic economic perspectives, cultural anthropology, and institutional analysis. Practically, this research proposes that mosques can become centers of community development if managed through a holistic approach that synergizes spirituality, congregational participation, professional management, and strengthening the local economic ecosystem. Therefore, this study concludes that revitalizing mosques through a micro-business incubation model based on local wisdom has proven relevant, applicable, and has great potential to strengthen the community's economy in a sustainable manner. This model not only addresses the congregation's economic challenges but also restores mosques to their historical position as centers of social transformation that integrate Islamic values with community dynamics. This research provides a theoretical basis and practical recommendations for the future development of mosque-based economic empowerment policies in Indonesia.

Suggestions: Based on the results of research on the

revitalization of the function of mosques as micro-business incubation institutions based on local wisdom through the implementation of the BAZNAS Mosque-Based Microfinance Program, several strategic suggestions can be put forward as follows:

1. Strengthening Governance (Good Mosque Governance).

Strengthening mosque governance is key to the success of mosque-based micro-enterprise incubation programs. In this context, mosques need to build a more professional, transparent, and standardized institutional management system to effectively carry out their economic empowerment role. It is crucial for mosque administrators to develop standard operating procedures (SOPs) for the incubation program, from the planning stage, through participant recruitment, mentoring mechanisms, and periodic program evaluations. Furthermore, implementing accountable financial governance must be a primary concern as it is directly related to increasing the trust of the congregation and partner institutions. Equally important, mosque administrators must also systematically develop cadres to ensure the program's sustainability does not rely on a single individual, but rather through the regeneration of competent and committed managers.

2. Optimizing External Collaboration.

Mosque-based micro-enterprise incubation programs cannot run optimally without strong external support and partnerships. Collaboration between mosques and BAZNAS needs to be expanded, not only in financing but also in sharia financial education and monitoring the development of congregational businesses. Partnerships with universities can be strengthened through research activities, community service, and the provision of mentors or experts. capable of providing technical assistance to micro-entrepreneurs. Furthermore, the involvement of local governments and Islamic microfinance institutions is crucial for strengthening access to capital, business legality, and market expansion. With this multi-sector synergy, the mosque-based economic empowerment ecosystem can operate more comprehensively and sustainably.

3. Develop a Structured Business Incubation Module.

For a mosque-based economic empowerment program to run systematically, the development of a structured and comprehensive business incubation module is necessary. The empowerment curriculum must include micro-business management literacy, soft skills training such as business communication and marketing, and digital literacy relevant to the demands of the modern economy. Furthermore, regular mentoring for those eligible to receive funds is essential to ensure the business development process is directed and targeted. The module must include training in Islamic business ethics that emphasizes: The values of *ṣīdq*, *amanah*, justice, and welfare serve as a moral foundation for business actors. Good module development will prevent programs from being sporadic or ad hoc, thus ensuring the sustainability of empowerment impacts.

4. Integration of Local Wisdom in Program Design. The

design of mosque-based business incubation programs needs to strengthen the integration of local wisdom values that have long existed in the community. Social practices such as mutual cooperation can provide important social capital in strengthening the congregation's economic solidarity. The program planning process should also activate congregational deliberations to increase community participation and ensure decisions are aligned with local needs. Furthermore, social groups such as religious study groups (*Majelis Taklim*), youth communities, and other community networks can be utilized as collaborative spaces to support the development of congregational UMKM. This integration of local culture and Islamic values makes the program more responsive to the diverse and diverse social character of Indonesian society.

5. Improving the Capacity of Mosque Human Resources and Facilitators.

The success of mosque-based micro-enterprise incubation programs is largely determined by the quality of the human resources involved. Therefore, mosque administrators and program facilitators need to receive structured training in economic empowerment program management. Certification of MSME facilitators is crucial to ensure they are able to provide standardized, results-oriented assistance. Furthermore, digital literacy competencies must be improved, particularly regarding digital marketing and app-based financial recording, which are now primary needs for UMKM. A thorough understanding of the *maqāṣid al-syarī'ah* (obligatory principles of sharia) is also crucial to ensure that each empowerment program remains within a holistic welfare framework. Competent human resources will directly impact the effectiveness and quality of the incubation model's implementation.

6. Strengthening Business Data Collection and Monitoring Systems.

To ensure the program's sustainability, mosques need to develop better business data collection and monitoring systems, both digital and semi-digital. These systems must be able to record data on the business development of beneficiaries, financing transactions, mentoring reports, and business success indicators in a structured manner. Strong monitoring enables mosque administrators and program partners to make data-driven decisions, allowing for comprehensive and targeted evaluations. This system allows for continuous improvement of the incubation program, while micro-entrepreneurs receive more relevant support based on their business development.

7. Program Replication and Scalability.

Mosques that have successfully implemented incubation programs can serve as role models for other mosques. To encourage replication, BAZNAS can establish knowledge hubs or training centers for mosques that empower the economy. Furthermore, the development of national guidelines on mosque-based business incubation models is essential to ensure systematic adoption of best practices by mosques across Indonesia. Mapping the potential of mosques in each region is necessary to analyze the suitability of empowerment models based on local wisdom. With

empirically based replication, the impact of incubation programs can be expanded to the national level.

8. Strengthening Spiritual Identity in the Congregation's Economic Ecosystem. Economic empowerment programs in mosques must prioritize the spiritual integrity of the community. Mosques are expected to maintain a balance between their religious and socio-economic functions by internalizing the values of maqāṣid al-syarī,ah (the principles of Islamic law) into every empowerment activity. Congregants' business activities must be ensured to align with Islamic values, particularly those related to integrity, fairness, and the blessings of transactions. Collective ethics such as honesty, solidarity, and social responsibility must become part of the culture within the congregation's business ecosystem. This approach ensures that economic empowerment not only increases income but also shapes the character and morality of entrepreneurs.
 9. Enhancing Congregation Participation. For mosque-based micro-enterprise incubation programs to be inclusive, active congregational participation must be strengthened. Congregations need to be involved from the planning, implementation, and evaluation stages of the program to foster a sense of ownership in the empowerment activities. Mosques also need to open wider spaces for participation for women, youth, and marginalized groups so that the program's benefits can be felt equally. When congregants feel involved and valued, the program's social legitimacy increases and its sustainability is more assured.
 10. Further Research Development. Further research is essential to enrich the study of mosque-based economic empowerment models. Studies can be expanded to other regions to explore variations in practices based on local wisdom. Furthermore, a quantitative analysis of the program's economic impact is necessary to objectively measure its impact on increasing congregational income and well-being. Studying the role of digital technology in strengthening the mosque empowerment ecosystem is also crucial, given the rapid development of the digital economy. Research focused on regenerative empowerment models can help formulate a new, more comprehensive theoretical framework.
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