

Research Paper

Empowering MSMEs: The Role of Mosques in Community Economic Development

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ABSTRACT

Mosques hold significant potential in community development, particularly through the management of zakat, *infaq*, and *sadaqah* to empower Micro, Small, and Medium Enterprises (henceforth MSMEs). This study explores the role of Jogokariyan Mosque, a unique and famous mosque located in Yogyakarta Indonesia, as a zakat administrator in supporting MSMEs empowerment. Utilizing primary data from in-depth interviews and content analysis, this case study highlights the mosque's initiatives, including kindness loans, business training, and market creation. The key informant, Mr. Jardi, an administrator of Jogokariyan Mosque, was selected through purposive sampling. The research adopts a triangulation method, involving pre-field analysis, data interpretation and classification, data reduction, and conclusion verification. The findings reveal that Jogokariyan Mosque, through its institution Lembaga Amil Zakat (LAZ), effectively collects, manages, and distributes zakat funds, providing essential support to MSMEs and enhancing community welfare. This research underscores the crucial role of mosques in economic development and community empowerment. Last but not least, this research offers valuable insights for policymakers, religious leaders, and community organizers on the potential of mosques to serve as central hubs for economic empowerment through zakat management.

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Introduction

Zakat is a fundamental component of the Islamic faith that holds immense significance not only for individual Muslims but also for the broader Muslim community and society at large. It represents a religious obligation for Muslims to contribute a portion of their wealth toward the betterment of those in need, thereby fostering a sense of social responsibility and promoting the equitable distribution of resources (El Kemal et al., 2022; Johari et al., 2013; Mukhibad et al., 2022; Wijaya & Ritonga, 2021). The reverence and centrality of zakat within the Islamic tradition are evidenced by its pervasive presence throughout the Quran, where the concept is mentioned in no fewer than 24 distinct verses (Mukhibad et al., 2022). Beyond its spiritual significance, zakat serves as a powerful tool for socioeconomic empowerment and development. By directing resources toward underprivileged and marginalized members of society, zakat has the potential to bring about empowerment (Arif, 2017).

Mosques, as the centers of Islamic community life and religious institutions, are well-positioned to serve as intermediaries between zakat payers and recipients, known as *mustahik*. Mosques play a crucial role in identifying and assisting eligible *mustahik*, as well as in effectively managing and distributing zakat funds (Ainolyaqin, 2022; Mohamed & Shafiai, 2021; Wijaya & Ritonga, 2021). In the effort to empower micro, small, and medium enterprises (MSMEs), the role of mosques as *amil zakat* (zakat administrators) has gained increasing attention. Zakat, one of the five pillars of Islam, is a mandatory charitable contribution that Muslims are required to make, and it has the potential to be a significant source of funding for economic development (Din et al., 2020).

One potential avenue for empowering MSMEs is through the involvement of religious institutions, such as mosques. Mosques have long been hubs of community engagement and social welfare activities, and they could potentially play a pivotal role in supporting the growth and development of local small businesses. For instance, mosques could provide access to financial resources, such as Islamic microfinance schemes or profit-sharing arrangements, which could help MSMEs overcome the common challenge of accessing capital (Afkar et al., 2020). Additionally, mosques could offer training and capacity-building programs to equip MSME owners with the necessary skills and knowledge to manage their businesses effectively (Afkar et al., 2020; Putri & Wilasittha, 2022).

Furthermore, mosques could serve as platforms for networking and collaboration, allowing MSME owners to connect with potential partners, suppliers, and customers. By leveraging the reach and influence of mosques, MSME owners could gain access to new markets, expand their customer base, and explore new business opportunities (Singh et al., 2015). Mosques can also provide other services to MSMEs, such as training, mentoring, networking, marketing, and halal certification (Pertiwi & Al Hamidy, 2022). However, it is important to note that the challenges faced by the MSME sector are multifaceted and cannot be resolved solely through the involvement of mosques. Efforts to support MSMEs should be part of a broader, holistic approach that addresses the various obstacles they face, such as access to finance, infrastructure, technology, and regulatory frameworks (Candraningrat et al., 2023).

Several previous studies have discussed the role of mosques in empowering MSMEs. The research conducted by Nanda et al. (2021) indicates that Al-Akbar Mosque in Surabaya actively plays a role in ensuring the sustainability of MSMEs around the mosque. The permission granted by the management of Al-Akbar Mosque holds significant importance,

as the mosque's function extends beyond worship to contribute to enhancing the community's economy. [Sawaeen and Ali \(2021\)](#) and [Singh et al. \(2015\)](#) suggest that MSMEs face a myriad of challenges, including access to capital, market constraints, and managerial expertise.

In Muslim-majority countries, mosques could potentially serve as hubs for MSME development, providing access to financing, business training, and networking opportunities. A study in Indonesia conducted by [Afkar et al. \(2020\)](#) found that the implementation of profit-sharing schemes, such as *mudharabah*, through Islamic financial institutions, including those affiliated with mosques, can help address the capital needs of MSMEs. Similarly, research in Sumbawa, Indonesia, conducted by [Sanjani \(2019\)](#), highlighted the role of Sharia-compliant financing from mosques and other religious institutions in supporting small businesses. The unique financing models offered by mosques and Islamic institutions can be particularly beneficial for empowering MSME owners, especially those from Muslim communities.

Additionally, [Firmansyah et al. \(2024\)](#) found that empowerment has an impact, although it is not statistically significant in influencing the performance of micro and small enterprises (MSEs) supported by mosques in Yogyakarta. In contrast, religiosity significantly affects the performance of MSEs assisted by mosques in the same region. The studies conducted by [Rizki and Zulaikha \(2022\)](#) and [Fahmi \(2018\)](#) reveal that Jogokariyan Mosque effectively revitalized the local economy during the pandemic through diverse initiatives. These programs include distributing essential goods to the needy and supporting MSMEs through people's markets. The mosque facilitates market participants by offering Al-Qardh loans, entrepreneurship education, and free shopping vouchers, thereby boosting sales among market attendees.

There is a lack of research and data on the empowerment of MSMEs by mosques serving as *amil zakat*, particularly in the case of Jogokariyan Mosque. Existing research has predominantly focused on the role of financial institutions in empowering MSMEs through *zakat* funds. However, there is limited awareness that mosques also play a crucial role in empowering the local community by serving as Lembaga Amil Zakat (Zakat Collection and Distribution Centers). Therefore, this research aims to fill this gap by studying the empowerment of MSMEs through the role of mosques as *amil zakat*. The potential role of mosques as *amil zakat* and in empowering MSMEs is an area worth exploring. By leveraging the community-based nature and social influence of mosques, MSME owners could gain access to valuable resources, networks, and support to help their businesses grow and thrive.

Method

The research developed is a case study. A case study design is the most appropriate for this research context as it allows for an in-depth exploration of the specific phenomenon of interest—how the Jogokariyan Mosque empowers MSMEs through *zakat* administration. Case studies are particularly well-suited for examining complex, real-life contexts where the boundaries between the phenomenon and the context are not clearly defined (Yin, 2018). This approach provides a comprehensive understanding of the processes, practices, and outcomes involved in the mosque's role in community development, making it the best fit for the objectives of this study. The study adopts a triangulation method, a key aspect of

qualitative research, which involves integrating multiple data sources, methods, and theoretical perspectives to gain a comprehensive understanding of the research problem. Triangulation is used to increase the credibility and trustworthiness of research findings (Dewasiri et al., 2018). It also cross-validates the results and ensures that the information derived from the data accurately reflects the reality of the phenomenon under study (Moon, 2019). In addition to interviews, this research employs a literature review approach to analyze the topic from a scientific perspective. The literature review serves as the foundation for the research, providing a critical analysis and synthesis of the existing knowledge and research related to the topic (Koons et al., 2019).

Purposive sampling is used as a common technique in qualitative research, where participants are deliberately selected based on specific criteria that align with the research objectives. In the context of this study, the criteria for selection include individuals who are directly involved in the MSME empowerment program at the Jogokariyan Mosque, have substantial experience in zakat administration, and hold key roles within the mosque's organizational structure. This approach allows for an in-depth exploration of the phenomenon of interest, providing valuable insights that may not be captured through random or representative sampling (Bularafa & Haruna, 2022). The interview was conducted using purposive sampling techniques, ensuring that informants were selected based on their relevance to the research objectives and their alignment with the established criteria (Saro et al., 2019).

The key informant is Ustadz Jardi, the mosque administrator (*Takmir*) of Jogokariyan Mosque and the Coordinator of the MSME Empowerment Program. The interview technique employed is a structured interview, chosen for its ability to gather specific, pre-determined information efficiently. Structured interviews are well-suited for situations where the researcher knows in advance what information is needed. To ensure reliable data collection, several elements were prepared, including introductions, a series of logically arranged questions in a specific order, introductory questions, main questions, and follow-up questions to support the main inquiries. The type of data obtained is qualitative, gathered through interview records and content analysis. Content analysis is an observational research method used to analyze a body of information textually and systematically (Sekaran & Bougi, 2016).

This study employs a method of data analysis that involves several steps. First, the preliminary results of the study are used as the basis for pre-field analysis, which guides the subsequent stages of research. Second, the researcher interprets and classifies the data collected during fieldwork and data collection, organizing it into meaningful categories. Third, the data is reduced by summarizing the essential elements, filtering out irrelevant information to focus on the core findings. Finally, conclusions are drawn, and the field findings are verified through cross-referencing with the literature and triangulation methods. This systematic approach ensures the reliability and validity of the research findings, providing a robust analysis of how the Jogokariyan Mosque empowers MSMEs through zakat administration.

Results

Rahayu et al. (2019) highlighted that the Jogokariyan Mosque implements a modern approach to mosque management, rooted in the traditional roles and functions established

during the time of the Prophet Muhammad SAW. The mosque serves as a central hub for activities that contribute to the welfare of the community. The collection of zakat, *infaq*, and *sadaqah* funds is conducted with a high degree of accountability, with the results being transparently reported through an annual bulletin that is printed and distributed to the congregation as a form of institutional accountability. The Jogokariyan Mosque's Lembaga Amil Zakat (LAZ) diligently oversees the management process, which encompasses the planning, organizing, execution, and supervision of the collection and distribution of zakat, *infaq*, and *sadaqah* funds. Mr. Jardi, the key informant, detailed the various types of funds managed by the mosque's Amil Zakat Institute, specifically focusing on zakat, *infaq* (*sadaqah*), and waqf funds.

The empowerment of Micro, Small, and Medium Enterprises (MSMEs) through Islamic financial instruments, such as zakat, *infaq*, and *sadaqah*, represents a novel approach to addressing economic inequalities and fostering community development. The role of religious institutions, particularly mosques, in mobilizing these resources has gained increasing attention. The Jogokariyan Mosque in Yogyakarta, Indonesia, offers a compelling case study on how such efforts can be systematically organized to support local MSMEs. The following sections provide an analysis of the findings based on interviews with Mr. Jardi, the mosque manager, highlighting the mosque's specific programs, their implementation, and their impact on MSME empowerment.

Question 1: *What is the program for using zakat to empower MSMEs in the environment around the Jogokariyan Mosque?*

The informant responded to the question by stating:

"The zakat program at the Jogokariyan Mosque actually doesn't take zakat funds for empowering the MSMEs; it's specifically intended for eight asnaf, mostly poor elderly people. Meanwhile, we use zakat, infaq, and shodaqoh funds for our MSME empowerment program. There are two programs among the zakat fund, namely rice subsidies and basic food subsidies. Rice subsidies are held every week, but basic necessities such as cooking oil, granulated sugar, etc., are given every month. Apart from that, there are also sahur subsidies and assistance for Ibn Sabil or overseas people who don't have the means to return to their hometowns, and we take all of this from zakat funds."

The informant's response illustrates the nuanced approach the Jogokariyan Mosque takes in managing zakat and other charitable funds. It is clear that the mosque adheres strictly to the traditional allocation of zakat, directing these funds toward the eight *asnaf* (categories of beneficiaries) as prescribed in Islamic law, which predominantly includes the poor and needy. This allocation emphasizes the mosque's commitment to fulfilling religious obligations while simultaneously addressing immediate social welfare needs within the community, such as through weekly rice subsidies and monthly basic food distributions.

Interestingly, the informant distinguishes between the use of zakat funds and other types of charitable contributions, such as *infaq* and *sadaqah*, for MSME empowerment. This differentiation highlights a strategic and legally compliant use of funds where zakat is preserved for its mandated recipients, while the flexibility of *infaq* and *sadaqah* is leveraged for broader economic development initiatives, such as supporting MSMEs. The mosque's programs, including subsidies for *sahur* (pre-dawn meal during Ramadan) and assistance for travelers (*Ibn Sabil*), further demonstrate a holistic approach to community support that extends beyond economic empowerment, addressing both spiritual and material needs.

The strategic use of *infaq* and *sadaqah* funds for MSME empowerment reflects the mosque's innovative approach to fostering economic self-sufficiency within the community. By not diverting zakat from its intended recipients, the mosque ensures compliance with Islamic jurisprudence while also creatively using other resources to drive economic empowerment. This careful balancing act not only preserves the sanctity of zakat but also enables the mosque to support the local economy in a sustainable and impactful way.

Question 2: *How can infaq and shodaqoh funds empower the MSMEs?*

The informant responded to the question as follows:

"MSMEs at the Jogokariyan Mosque were given loans of 2–3 million rupiah according to their needs, some for making carts, buying raw materials, and other needs. Apart from that, MSME players are also given business training with a program called Ngaji Bisnis, and then we provide a place for MSMEs to sell, namely the Jogokaryan People's Market (henceforth PRJ – Pasar Rakyat Jogokaryan), which we hold every Saturday and Sunday morning after morning prayers, and the buyers are morning prayer congregations to whom we give shopping vouchers worth Rp 10,000. The vouchers spent by the congregation were used by MSMEs to be deposited with the committee as installments of the kindness loan given to them."

The utilization of *infaq* and *sadaqah* funds at Jogokariyan Mosque is a prime example of how non-zakat charitable contributions can be transformed into impactful economic tools. The informant's description of the microloans provided to MSMEs, ranging from 2 to 3 million rupiah, underscores the mosque's role in facilitating access to capital—a critical need for many small businesses that often struggle to secure funding through conventional means. These loans are targeted, allowing MSME owners to address specific business needs, such as purchasing raw materials or creating infrastructure like carts, which are essential for the daily operations and growth of their enterprises.

Beyond financial support, the mosque has implemented a comprehensive empowerment program that includes business training under the "Ngaji Bisnis" initiative. This program not only imparts technical and managerial skills but also reinforces the ethical and religious principles that guide business practices within the community. The integration of religious teachings with practical business advice in "Ngaji Bisnis" reflects the mosque's holistic approach to empowerment, where economic success is intertwined with spiritual and moral integrity.

Moreover, the Jogokaryan People's Market (PRJ), organized by the mosque, serves as a dynamic platform for MSMEs to engage with the community and boost their sales. The use of shopping vouchers distributed to congregants attending morning prayers is an innovative approach to stimulate the local economy while reinforcing community participation in religious activities. The vouchers act as both a financial tool to support MSME income and a means of fulfilling religious obligations, creating a symbiotic relationship between the mosque's spiritual mission and its economic development goals. This integration of community markets with religious practices not only enhances the visibility and sales of MSMEs but also strengthens communal bonds, fostering a supportive environment for local businesses to thrive.

Question 3: *How is the implementation of the Jogokariyan Mosque program to empower MSMEs?*

In responding to the question, the informant conveyed the following answers:

“Micro, Small, and Medium Enterprises (MSMEs) empowerment began in 2019 before the pandemic. It involved 98 MSMEs, which started by collecting related products from these enterprises at the mosque to capture appealing photos for an e-catalog. However, the COVID-19 pandemic, which began in 2020 and continued into 2021, decreased income for MSMEs in various regions. During the pandemic, some MSME entrepreneurs, including those in tourism, transportation, and culinary businesses, faced reduced earnings. To adapt, MSMEs turned to online sales, creating WhatsApp groups divided into three large segments. These groups allowed mosque congregants to interact effectively with the supported MSMEs. Despite challenges, the Jogokaryan Mosque organized the Jogokaryan Community Market (PRJ) on Saturdays and Sundays after the dawn prayer. Congregants who attended the dawn prayer received vouchers worth Rp 10,000 each, which they could exchange for various foods sold at the PRJ. Vouchers were redeemed at the mosque. We provide kindness loans to MSME players at the same nominal amount loaned as returned. They can repay the loan using vouchers from sales at PRJ. Originally intended to support struggling MSMEs during the pandemic, PRJ had an unexpected impact: it increased dawn prayer attendance at the Jogokaryan Mosque. MSMEs earned weekly revenues ranging from 700,000 to 2 million rupiahs. However, these earnings were used to repay loans, with weekly installments of 100,000 to 150,000 rupiahs. The mosque allocated approximately 40 million rupiahs per week to organize PRJ.”

From the informant's responses, it is known that the Jogokariyan Mosque's MSME empowerment program, which began in 2019, demonstrates a well-structured approach to supporting local enterprises. The initial phase of the program involved 98 MSMEs and focused on enhancing their visibility through the creation of an e-catalog, showcasing their products in a professional and appealing manner. This strategy highlights the mosque's understanding of the importance of marketing in business success, particularly for small enterprises that may lack the resources or expertise to promote themselves effectively.

However, the onset of the COVID-19 pandemic presented significant challenges, drastically reducing the income of MSMEs, particularly those in tourism, transportation, and culinary sectors. The mosque's adaptive response to these challenges is noteworthy. By facilitating the shift to online sales and creating WhatsApp groups for better interaction between congregants and MSMEs, the mosque helped these businesses navigate the economic downturn. This approach not only maintained business continuity during the pandemic but also fostered stronger ties between the mosque community and local businesses.

The Jogokaryan Community Market (PRJ), initiated during the pandemic, serves as a crucial intervention. By distributing vouchers to congregants attending dawn prayers, the mosque not only supported MSME sales but also encouraged greater participation in religious activities, thereby achieving dual objectives of economic support and spiritual engagement. The provision of kindness loans, which MSME owners could repay through voucher-based sales, reflects a sustainable and community-driven model of microfinance. This system ensured that the mosque's financial support was effectively recycled within the community, promoting both economic resilience and religious devotion.

The unintended outcome of increased dawn prayer attendance as a result of the PRJ initiative illustrates the mosque's impact beyond economic dimensions. By integrating religious observance with economic activity, the mosque strengthened communal ties and

reinforced the importance of collective responsibility in supporting local enterprises. The weekly earnings of MSMEs, ranging from 700,000 to 2 million rupiahs, and the structured repayment of loans through this innovative model, underscore the effectiveness of the mosque's program in fostering sustainable economic development within the community.

As described by the informant's responses, there have been several programs implemented by the Jogokaryan mosque to empower MSMEs. The Jogokariyan Mosque has implemented several programs to empower MSMEs within its community, focusing on financial support, business education, and market access. First, the Kindness Loans program provides interest-free loans (*qardhul hasan*) of 2 to 3 million rupiahs to local MSMEs, with the amount repaid equal to the amount borrowed, fostering trust and commitment among the participants. These loans are primarily used to support micro-enterprises in the Jogokaryan Village area, particularly for creating small carts for selling at the Jogokaryan People's Market (PRJ). Second, the *Ngaji Bisnis* program, initiated in 2019, offers business training sessions covering topics such as financial management, market analysis, and digital promotion. Although initially held monthly, this program now takes place every six months due to the COVID-19 pandemic. Finally, the Jogokaryan People's Market (PRJ), established in response to the pandemic, provides a physical space for MSMEs to sell their products directly to the community. Held every Saturday and Sunday after dawn prayers, the market encourages community participation through the distribution of vouchers, which congregants can use to purchase products from MSMEs. The earnings from these vouchers help MSMEs repay their kindness loans, creating a sustainable cycle of support and economic empowerment.

Furthermore, the management of waqf (endowment) plays a crucial role in the economic and social development of Muslim communities, serving as a sustainable resource for various charitable and community-driven activities. At the Jogokariyan Mosque in Yogyakarta, Indonesia, waqf is not only a means of religious observance but also a practical tool for community empowerment. The mosque's approach to waqf management provides insights into how religious institutions can leverage such assets to address contemporary social needs while maintaining the traditional values of Islamic endowments.

Question 4: *How is waqf managed at the Jogokariyan Mosque?*

In addressing the question, the informant stated:

"Jogokariyan Mosque manages productive waqf, which is realized in the management of the Jogokaryan Hotel. The hotel was built from the combined funds of the wakifs. If there is an Ibn Sabil who needs a place to stay, we will provide it there, but it is limited to only 3 days".

The informant's explanation highlights the innovative approach taken by the Jogokariyan Mosque in managing waqf. Rather than merely relying on traditional forms of waqf, such as land or buildings designated for direct charitable use, the mosque has invested in productive waqf—a concept where the endowed asset generates income that can be reinvested into the community. The Jogokaryan Hotel is a prime example of this approach, where the combined funds from multiple wakifs (donors) were used to construct a hotel that now serves both a commercial and charitable purpose. The revenue generated from the

hotel can be utilized to support various mosque activities, including the maintenance of the mosque itself and other community projects, thereby ensuring the sustainability of the waqf.

The mosque's management of the Jogokaryan Hotel also demonstrates a balance between commercial viability and social responsibility. The hotel is not only a revenue-generating enterprise but also serves as a form of social service. For instance, the mosque provides accommodation at the hotel for travelers in need (*Ibn Sabil*) for up to three days, reflecting the mosque's commitment to fulfilling the traditional charitable purposes of waqf. This dual function of the hotel—both as a business entity and a charitable institution—exemplifies how waqf can be adapted to meet modern needs without compromising its core religious and social objectives.

Moreover, the strategic use of waqf to fund a hotel highlights the potential of Islamic endowments in fostering economic development within the community. By creating a self-sustaining asset, the mosque ensures that the benefits of the waqf extend beyond immediate charitable relief to long-term community empowerment. This approach aligns with broader trends in Islamic finance, where the focus is shifting towards utilizing waqf for productive purposes that generate continuous returns for the community. The limitation on the duration of the stay for *Ibn Sabil* at the hotel indicates a practical management strategy, ensuring that resources are used efficiently and that the hotel can continue to serve both its commercial and charitable roles effectively.

In conclusion, the Jogokariyan Mosque's management of waqf through the Jogokaryan Hotel represents a forward-thinking approach to Islamic endowments. It demonstrates how traditional religious practices can be innovatively applied to address contemporary economic and social challenges, thereby contributing to the broader goal of community development and empowerment. This model not only provides a sustainable source of income for the mosque but also upholds the Islamic principles of charity and hospitality, ensuring that the waqf serves its intended purpose in both the short and long term.

Discussion

Historically, mosques have played a multifaceted role within Islamic societies, extending beyond their primary function as places of worship to serve as centers for education, social services, and economic development (Sari, 2013). The Jogokariyan Mosque, as an *amil zakat*, follows this tradition by not only focusing on religious activities but also on the management and distribution of *zakat*, *infaq*, and *sadaqah* funds. These activities align with the mosque's historical role as a central hub for the Islamic community, reinforcing its importance in social and economic empowerment (Nur Isnaini et al., 2019). The findings of this study align with previous research, such as that by Johari et al. (2013) and Sulaiman and Jamil (2014), which emphasize the mosque's role in efficiently managing *zakat* to ensure equitable distribution and social welfare within the community. The mosque's trusted status and deep understanding of local needs further enhance its effectiveness in fulfilling its role as an *amil zakat* (Parihat et al., 2020). This trust and effectiveness are crucial in ensuring that the distribution of *zakat* meets its intended purpose, as previous studies have indicated the critical role of transparency and community trust in the success of *zakat* management (Ahmad et al., 2015).

The legal framework governing zakat in Indonesia, particularly Laws No. 38 of 1999 and No. 23 of 2011, provides a structured approach to zakat management, including the role of mosques as *amil zakat*. These laws recognize the mosque's potential to act as a Zakat Collection Unit (UPZ) under the supervision of BAZNAS, although they also impose strict regulations and sanctions to ensure compliance (Undang-Undang Republik Indonesia Nomor 38 Tahun 1999; Undang-Undang Republik Indonesia Nomor 23 Tahun 2011). The Constitutional Court's decision No. 86/PUU-X/2012 further clarifies that mosques in areas not reached by BAZNAS or LAZ can manage zakat, provided they notify the authorities, thereby preventing the criminalization of traditional zakat practices (Putusan Mahkamah Konstitusi Nomor 86/PUU-X/2012). This legal recognition underscores the mosque's integral role in zakat administration, as highlighted by [Ahmad et al. \(2015\)](#) and [Doktoralina et al. \(2019\)](#), while also pointing to the need for clearer regulations to enhance mosque-based zakat management. The findings of this study support the notion that mosques, with appropriate legal frameworks and oversight, can serve as effective *amil zakat*, contributing to both religious and socio-economic goals ([Nurlita & Ekawaty, 2018](#)).

The management of zakat by mosques, particularly through innovative approaches such as the involvement of Baitul Maal Wattamwil (BMT), demonstrates a holistic strategy for community empowerment ([Wedawati et al., 2019](#)). The integration of social intermediation, financial support, and capacity-building activities within zakat management reflects the mosque's commitment to uplifting the socio-economic status of the poor. This aligns with the findings of [Wahid \(2011\)](#) and [Ansoriyah et al. \(2020\)](#), who emphasize the importance of localizing zakat distribution through mosques to address the challenges of reaching remote *mustahik*. The strategic positioning of mosques as zakat managers, as highlighted by [Hikmah et al. \(2020\)](#), reinforces their potential to significantly contribute to the welfare of their congregants, making them pivotal in the broader context of Islamic economic development. The results of this study echo previous research, showing that when mosques effectively manage zakat, they can play a transformative role in local economies, particularly in underserved areas ([Razali et al., 2022](#)).

The findings of this research provide significant contributions both theoretically and practically. Theoretically, this study reinforces and expands upon existing literature by demonstrating the critical role that mosques can play as *amil zakat* in modern Islamic society. It builds on the work of scholars such as [Johari et al. \(2013\)](#) and [Sulaiman and Jamil \(2014\)](#), emphasizing the relevance of religious institutions in socio-economic development, particularly through the effective management of zakat. Additionally, the research contributes to the ongoing discourse on the integration of traditional Islamic practices with contemporary socio-economic challenges, highlighting how mosques can innovate within the framework of Islamic law to address poverty and inequality. This study also adds depth to the understanding of how legal frameworks, such as those provided by Indonesian law, interact with religious practices to support community development.

Practically, the research offers valuable insights for policymakers, religious leaders, and community organizers on the potential of mosques to serve as central hubs for economic empowerment through zakat management. The successful implementation of zakat programs by the Jogokariyan Mosque, as documented in this study, serves as a model for other mosques and religious institutions. The findings suggest that with proper management, transparency, and legal support, mosques can significantly contribute to poverty alleviation and economic development in their communities. This research also

underscores the importance of aligning mosque-based zakat management with legal standards to ensure compliance and sustainability, thereby enhancing the trust and participation of the community in these initiatives. Overall, this study provides a framework for leveraging religious institutions in addressing socio-economic issues, offering a practical blueprint for other communities seeking to replicate these successes.

Conclusion

The study has explored the various empowerment initiatives undertaken by the Jogokariyan Mosque, which functions as an amil zakat (zakat administrator) to support MSMEs. The mosque has established the Lembaga Amil Zakat (LAZ) Jogokariyan to collect, manage, and distribute zakat funds to the eight asnaf in need through several weekly and monthly assistance programs. Additionally, to mitigate the impact of COVID-19 on MSMEs, the mosque has implemented programs such as offering interest-free loans, providing training and mentoring, and creating a marketplace through the establishment of the Jogokariyan People's Market. These efforts demonstrate the mosque's evolving role in addressing socio-economic challenges within the community, supported by legal regulations that authorize mosques to act as zakat administrators. The findings of this study highlight the significant potential of mosques to serve as vital institutions for socio-economic development.

However, the research is limited by the small number of informants and a heavy reliance on literature review, which may affect the comprehensiveness of the findings. Future studies should consider increasing the number of informants to gather more diverse perspectives and obtain more accurate data. Additionally, further research could focus on evaluating the impact of the Jogokariyan Mosque's empowerment programs on the success of MSMEs, providing a more detailed assessment of the effectiveness of these initiatives. This would offer valuable insights for enhancing mosque-based socio-economic programs and contribute to the broader understanding of their role in community development.

Authors' Declaration

The authors made substantial contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation and discussion of the results. The authors read and approved the final manuscript.

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