

MOSQUE-BASED ISLAMIC FINANCIAL INNOVATION TO IMPROVE THE WELFARE OF VILLAGE COMMUNITIES

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Abstract

This study aims to examine the role of mosque-based Islamic financial innovation in improving the welfare of rural communities. The method used in this study is qualitative with a literature study approach. Data sources were obtained from various literature such as books, scientific journals, articles, and official documents relevant to the research theme. Data analysis techniques were carried out in three stages, namely data reduction, data presentation, and drawing conclusions. The results of the study indicate that mosques have strategic potential as community-based economic centers because of their social and emotional closeness to rural communities. Through the management of zakat, infaq, sedekah, and waqf (ZISWAF) funds, as well as the implementation of sharia contracts such as qardhul hasan, murabahah, and musyarakah, mosques can become inclusive and usury-free Islamic microfinance institutions. This innovation is able to provide access to financing for small business actors, farmers, housewives, and poor rural communities, thereby encouraging local economic growth. In addition, the presence of mosques as financial centers also strengthens social solidarity, increases sharia financial literacy, and expands community participation in productive activities. By strengthening management, utilizing technology, as well as regulatory support and collaboration with Islamic financial institutions, mosques can become agents of significant socio-economic transformation in realizing sustainable and equitable village welfare.

Keywords: Islamic Finance, Mosque, Economic Empowerment, Village Community, Social Innovation

Abstrak

Penelitian ini bertujuan untuk mengkaji peran inovasi keuangan syariah berbasis masjid dalam meningkatkan kesejahteraan masyarakat desa. Metode yang digunakan dalam penelitian ini adalah kualitatif dengan pendekatan studi pustaka. Sumber data diperoleh dari berbagai literatur seperti buku, jurnal ilmiah, artikel, serta dokumen resmi yang relevan dengan tema penelitian. Teknik analisis data dilakukan melalui tiga tahap, yaitu reduksi data, penyajian data, dan penarikan kesimpulan. Hasil penelitian menunjukkan bahwa masjid memiliki potensi strategis sebagai pusat ekonomi berbasis komunitas karena kedekatan sosial dan emosionalnya dengan masyarakat desa. Melalui pengelolaan dana zakat, infak, sedekah, dan wakaf (ZISWAF), serta penerapan akad-akad syariah seperti qardhul hasan, murabahah, dan musyarakah, masjid dapat menjadi lembaga keuangan mikro syariah yang inklusif dan bebas riba. Inovasi ini mampu menyediakan akses pembiayaan bagi pelaku usaha kecil, petani, ibu rumah tangga, dan masyarakat miskin desa, sehingga mendorong pertumbuhan ekonomi lokal. Selain itu, kehadiran masjid sebagai pusat keuangan juga memperkuat solidaritas sosial, meningkatkan literasi keuangan syariah, dan memperluas partisipasi masyarakat dalam kegiatan produktif. Dengan penguatan manajemen, pemanfaatan teknologi, serta dukungan regulasi dan kolaborasi dengan lembaga keuangan syariah, masjid dapat menjadi agen transformasi sosial-ekonomi yang signifikan dalam mewujudkan kesejahteraan desa yang berkelanjutan dan berkeadilan.

Kata Kunci: Keuangan Syariah, Masjid, Pemberdayaan Ekonomi, Masyarakat Desa, Inovasi Sosial

INTRODUCTION

Mosques not only function as places of worship for Muslims, but also have great potential as centers for social and economic empowerment of the Muslim community (Dalmeri, 2014). History records that during the time of the Prophet Muhammad SAW, the mosque became the center for managing zakat, a place for deliberation, education, and also the distribution of the wealth of the people (Mirdad et al., 2023). However, in the context of today's rural communities, the role of mosques tends to be limited to religious ritual functions, while their strategic potential as socio-economic institutions has not been optimized. On the other hand, villages in Indonesia still face various structural problems, especially in terms of poverty, limited access to formal financial institutions, and low financial literacy in the community (Ariani, 2024). This condition causes some rural communities to be trapped in an unfair economic system, such as loans from loan sharks or high-interest financing that is not in accordance with sharia principles (Nurjaman, 2024). This phenomenon shows a gap between the needs of society for an inclusive financial system and the existence of institutions that are able to answer these needs in an Islamic way.

As the Islamic financial system develops, there is a need to present innovations that are closer to grassroots communities. One idea that is starting to develop is mosque-based Islamic financial innovation. Mosques are considered to have advantages in terms of emotional closeness to the community, high public trust, and have strong social networks at the local level (Amelia et al., 2023). By collecting zakat, infak, sedekah and waqf (ZISWAF) funds, as well as managing micro-financing based on sharia principles, mosques can become sharia micro-finance institutions that answer the real needs of village communities (Ali, 2023). This innovation can also encourage community-based economic empowerment, help village MSMEs, and create a financial ecosystem that not only encourages growth but also economic justice. However, mosque-based Islamic financial innovation is not without challenges. Problems such as the weak managerial capacity of the Mosque Prosperity Council (DKM), minimal understanding of Islamic contracts, the unavailability of a transparent financial system, and limitations in the use of technology, are obstacles in developing this innovation. On the other hand, there has not been much research that has studied in depth how mosques can be optimized as community-based Islamic financial institutions, especially in the rural context (Hidayatulloh et al., 2024). In fact, if utilized optimally, mosques can be at the forefront of creating a just, independent, and sustainable economy for village communities.

Based on that, this study will examine in depth how the concept and implementation of mosque-based Islamic financial innovation can improve the welfare of rural communities. The goal is to formulate a participatory economic empowerment model based on Islamic values. In addition, this study is expected to be able to answer the challenges and real needs of rural communities in building economic independence and reducing dependence on financial practices that are not in line with Islamic principles.

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METHODOLOGY

The research method used in this study is a qualitative method with a library research approach. This study aims to explore and analyze the concept of mosque-based Islamic financial innovation in improving the welfare of rural communities through theoretical studies from various relevant literature sources. The data in this study were obtained from library materials such as books, scientific journals, research articles, official documents, and publications from Islamic financial institutions and related institutions. Data analysis techniques are carried out through three stages, namely: (1) data reduction, which is the process of selecting and simplifying information from various sources to focus on the core theme of the study; (2) data presentation, which is the process of compiling information that has been summarized into a systematic narrative form to be analyzed in depth; and (3) drawing conclusions, which is the process of formulating key findings based on interpretations of the data that has been presented. With this method, it is hoped that the study can produce a comprehensive conceptual understanding of the strategic role of mosques as community-based economic institutions and their contribution to the development of rural community welfare from an Islamic economic perspective.

RESULT AND DISCUSSION

The Strategic Role of Mosques as Islamic Microfinance Institutions at the Village Level

The mosque is a socio-religious institution that has a very strategic position in the community, especially in rural areas. The existence of the mosque is not only a center of worship and spirituality for Muslims, but also functions as a space for social interaction, education, and community deliberation (Dalmeri, 2014). In the context of rural communities, mosques have a high emotional and symbolic closeness, so that they become a gathering place for people of all ages and backgrounds. This potential makes mosques a very relevant institution to be used as a basis for building an economic empowerment system based on sharia values (Daulay et al., 2023). Mosques have direct access to the community, strong social networks, and moral legitimacy that allow them to initiate financial and economic programs based on social justice and solidarity.

In addition, mosques also have access to very potential social funds from the community, such as zakat, infak, sedekah, and waqf (ZISWAF), which if managed productively, can be a source of social capital and financial capital for village community economic empowerment activities (Amelia et al., 2023). So far, the management of ZISWAF in many mosques is still consumptive and charitable, such as for the distribution of basic necessities or direct cash assistance, which although important in emergency conditions, have not been sufficient to provide long-term effects on the economic independence of residents. Therefore, a paradigm shift is needed from merely a consumptive distribution function to a productive empowerment function, where mosques are able to manage congregation funds to encourage micro-business activities, agriculture, small trade, and skills training for village communities.

Furthermore, the potential of mosques also lies in their human resources. In many cases, the management of the Mosque Prosperity Council (DKM) consists of community leaders, people with social influence, and individuals trusted by the congregation. If the management capacity of the DKM is strengthened through training in sharia financial management, digital technology, and economic literacy, then the mosque can become an effective center for financial innovation. In fact, by collaborating with sharia financial institutions, Islamic boarding schools, cooperatives, or Village-Owned Enterprises (BUMDes), the mosque can become a node for the economic movement of the community at the grassroots level. This potential will be even stronger if it is strengthened with policy support from the local government and civil society organizations. With all this potential, the mosque has a great opportunity to be revitalized into an institution that not only serves the spiritual needs of the community, but also becomes a driving force for the village economy. Through a participatory approach and based on Islamic values such as justice, togetherness, and blessings, the mosque can play a key role in realizing sustainable community welfare.

Model and Implementation of Mosque-Based Islamic Financial Innovation

Mosque-based Islamic financial innovation is a new approach in integrating Islamic financial principles with the institutional potential of mosques as centers of community social activities. This model not only emphasizes the function of collecting and distributing funds, but also encourages the transformation of mosques into inclusive, trustworthy, and productive microfinance institutions. In practice, this innovative model can be designed through several approaches: first, establishing a sharia microfinance unit under the auspices of the Mosque Prosperity Council (DKM); second, establishing strategic partnerships with sharia financial institutions; and third, utilizing digital technology to improve efficiency, transparency, and accountability in financial management.

One model that can be applied is the establishment of Baitul Maal wa Tamwil (BMT) or a mosque-based sharia cooperative, where the mosque acts as a center for managing community funds and providing sharia financial services to its congregation (Khoirunnisa et al., 2023; Mashuri, 2020). The funds managed can come from zakat, infaq, alms, cash waqf, congregational savings, and other social funds that are collected routinely. The funds are then distributed through sharia-based financing schemes such as qardhul hasan (interest-free loans for the poor), murabahah (buying and selling with margins for MSMEs), musyarakah (business partnerships), or mudharabah (profit sharing (Khairunnisa et al., 2022). In this case, the mosque is not only a facilitator of funds, but also an economic empowerment actor that is able to encourage the growth of micro-entrepreneurs at the village level.

The implementation of this model also depends heavily on a good management system and technological support. Mosque digitization is an important factor in strengthening sharia financial innovation. The use of sharia-based financial applications allows mosques to record

and report income and expenses transparently to the congregation (Biduri et.al, 2023). In addition, the application can also facilitate digital payments for infaq, zakat, and waqf, as well as online-based sharia financing services for village communities. This provides easy access and increases the congregation's trust in the management of mosque funds (Nisaa, 2025). Digital technology can also be used to educate the congregation through sharia financial content, online training, and publication of periodic financial reports.

In order for this model to run effectively and sustainably, collaboration between DKM, Islamic financial institutions, village governments, and civil society organizations is essential. Village governments can synergize economic development programs with mosque activities, while Islamic financial institutions can provide training support, supervision, and wider network access. In the long term, mosques also need to form special units or professional economic teams to manage and develop this Islamic financial business. Assistance by Islamic economic experts and academics will also help formulate a model that is contextual and appropriate to the conditions of each village. With the existence of structured and community-based Islamic financial innovations based on mosques, village communities have access to safe, fair, and sharia-compliant financing. Moreover, they can be actively involved in building a shared economy based on spiritual values and social solidarity. This innovation not only provides a solution to the limitations of financial access, but also revives the function of mosques as a driving force for the welfare of the community.

The Impact of Mosque-Based Islamic Financial Innovation on the Welfare of Village Communities

The implementation of mosque-based Islamic financial innovation has direct and indirect impacts on improving the welfare of rural communities. This impact can be seen from various aspects, ranging from access to financing, increasing income, economic empowerment, to strengthening social solidarity. Mosques that previously only functioned as places of worship have now become centers of economic solutions that can reduce people's dependence on high-interest loans from loan sharks or non-formal financial institutions that are detrimental. Through a fair Islamic financing scheme that is in accordance with Islamic principles, rural communities obtain alternative financing for micro-enterprises, education needs, health, and working capital, without being trapped in oppressive interest burdens. (Abdullah et al., 2022)

One important indicator of increasing welfare is the increasing economic participation of the community. When mosques are able to manage zakat, infak, sedekah, and waqf (ZISWAF) funds productively, these funds will not only become temporary social assistance, but will become a tool to generate economic independence (Ali, 2023). Village communities that previously only played a role as beneficiaries are now encouraged to become business actors, producers, and agents of change in their environment. For example, housewives who receive qardhul hasan financing for small businesses can increase family income, increase purchasing power, and better finance their children's education. In the long term, this condition will break the chain of structural poverty that has been rooted in the village.

Furthermore, the presence of mosques as sharia microfinance institutions also plays a role in strengthening social ties in the community. Mosque-based sharia financial programs are generally community-based and based on the value of mutual assistance (ta'awun) (Daulay et al., 2023). The process of collecting and distributing funds is carried out transparently and participatively, thus fostering trust and a sense of belonging among the congregation. This also increases community participation in maintaining and prospering the mosque, as well as strengthening the function of the mosque as a center for moral and social development of the community. In addition, economic activities managed by the mosque also encourage the formation of business groups, cooperatives, and productive communities that become the foundation of a strong local economy. Thus, mosque-based Islamic financial innovation has proven to be able to provide a positive impact on the welfare of village communities, both economically, socially, and spiritually. The mosque is not only a symbol of religiosity, but also a key actor in changing the fate of the community towards a more just, independent, and dignified life. This is a real form of the concept of *maslahah* in Islamic economics, namely providing the greatest possible benefits for the community.

CONCLUSION

Based on the results of the discussion, it can be concluded that mosque-based Islamic financial innovation has great potential as an effective, inclusive, and Islamic-based rural community economic empowerment strategy. Mosques as religious institutions not only have strong moral legitimacy, but also social networks and emotional closeness to the community, making them strategic actors in driving community-based economic development. Through the optimization of zakat, infak, sedekah, and waqf (ZISWAF) funds, as well as the implementation of Islamic financial contracts such as *qardhul hasan*, *murabahah*, *musyarakah*, and *mudharabah*, mosques can provide access to alternative financing that is fair and free from usury for micro-entrepreneurs in the village. The implementation of this model also requires professional managerial support, the use of digital technology, and synergy with Islamic financial institutions and the village government in order to run sustainably. The impact of this innovation is not only to increase community income and independence, but also to strengthen social solidarity, expand Islamic financial literacy, and revive the historical role of the mosque as the center of people's lives. Therefore, it is important for stakeholders to encourage strengthening the capacity of mosques in economic aspects as part of a grand strategy to realize the welfare of village communities that are just, empowered, and blessed.

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