



# INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS & SOCIAL SCIENCES



## A Study to Explore and Analyze the Mosque-Based Cooperative Business Model, its Underlying Principles and its Potential Impact on Local SMEs

Mohammadtahir Cheumar, Yusuf Haji-Othman, Masri Azrul Nayan, Syed Iradat Abbas, Norhayati Abdullah, Sulaiman Dorloh

To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v13-i6/17773>

DOI:10.6007/IJARBSS/v13-i6/17773

**Received:** 20 April 2023, **Revised:** 21 May 2023, **Accepted:** 15 June 2023

**Published Online:** 28 June 2023

**In-Text Citation:** (Cheumar et al., 2023)

**To Cite this Article:** Cheumar, M., Haji-Othman, Y., Nayan, M. A., Abbas, S. I., Abdullah, N., & Dorloh, S. (2023). A Study to Explore and Analyze the Mosque-Based Cooperative Business Model, its Underlying Principles and its Potential Impact on Local SMEs. *International Journal of Academic Research in Business and Social Sciences*, 13(6), 2472 – 2482.

**Copyright:** © 2023 The Author(s)

Published by Human Resource Management Academic Research Society ([www.hrmars.com](http://www.hrmars.com))

This article is published under the Creative Commons Attribution (CC BY 4.0) license. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this license may be seen at: <http://creativecommons.org/licenses/by/4.0/legalcode>

**Vol. 13, No. 6, 2023, Pg. 2472 – 2482**

<http://hrmars.com/index.php/pages/detail/IJARBSS>

JOURNAL HOMEPAGE

Full Terms & Conditions of access and use can be found at  
<http://hrmars.com/index.php/pages/detail/publication-ethics>



# INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS & SOCIAL SCIENCES



## A Study to Explore and Analyze the Mosque- Based Cooperative Business Model, its Underlying Principles and its Potential Impact on Local SMEs

<sup>1</sup>Mohammadtahir Cheumar, <sup>2</sup>Yusuf Haji-Othman, <sup>3</sup>Masri Azrul Nayan, <sup>4</sup>Syed Iradat Abbas, <sup>5</sup>Norhayati Abdullah, <sup>6</sup>Sulaiman Dorloh

<sup>1,2,3 & 4</sup>Universiti Islam Antarabangsa Sultan Abdul Halim Mu'adzam Shah (UniSHAMS), Malaysia, <sup>5</sup>Universiti Kuala Lumpur - Malaysian Spanish Institute (UniKL MSI), Malaysia,

<sup>6</sup>Universiti Islam Sultan Sharif Ali (UNISSA), Brunei Darussalam

Correspondence: tahir@unishams.edu.my

### Abstract

This article gives a thorough investigation into the mosque-based cooperative business model, its guiding principles, and its possible effects on community small and medium-sized companies (SMEs). Mosques have historically played an important role in community development and social cohesion as well as serving as religious organizations. In recent years, an increasing number of mosques throughout the world have embraced the idea of cooperative economy, combining their resources and energies to assist neighborhood businesses and promote economic development. The study obtained data from qualitative interviews with mosque administrators, SME owners, and community members. The study looks into the tenets of cooperatives founded on mosques, including mutual help, shared ownership, moral business conduct, and community empowerment. It also looks at the practical facets of these cooperatives, such as membership arrangements, governance forms, funding schemes, and methods for working with nearby SMEs. The results of this study add to the body of knowledge on community-driven projects and alternative economic models. It clarifies the mosque-based cooperative model as a potentially effective strategy for promoting entrepreneurship, economic growth, and social cohesion at the local level. For policymakers, community leaders, and practitioners interested in advancing inclusive and sustainable economic systems, the research also underscores the difficulties and opportunities related to putting into practice and maintaining such cooperative ventures.

**Keywords:** Mosque-based Cooperatives, Community Development, Small and Medium-sized Enterprises (SMEs), Alternative Economic Models, Social Cohesion, Entrepreneurship, Economic Impact

## Introduction

In recent years, the concept of mosque-based cooperative business models has gained significant attention as a means to assist local Small and Medium Enterprises (SMEs) in various communities. The integration of religious institutions, such as mosques, with economic activities has proven to be an effective strategy for fostering socio-economic development and promoting entrepreneurship among marginalized groups. This research paper aims to explore and analyze the mosque-based cooperative business model, its underlying principles, and its potential impact on local SMEs (Adriani et al., 2009; Ismail et al., 2020).

Mosques have long served as important social institutions within Muslim communities. Beyond their primary function as places of worship, these religious centers have historically played a vital role in providing various social services, including education, healthcare, and charity. In recent years, mosques have begun to harness their capacity and resources by implementing innovative approaches that promote economic empowerment among their congregations (Nugroho et al., 2022).

The mosque-based cooperative business model is centered around the idea of collective action and cooperation among community members. It involves establishing cooperatives that are owned and managed by individuals within the community who share common economic objectives. These cooperatives aim to provide support systems for local SMEs by offering financial assistance, access to markets, training programs, shared resources such as equipment or storage facilities, and networking opportunities (Adriani et al., 2009). One key principle underlying the mosque-based cooperative business model is Islamic ethics. Islam emphasizes principles such as fairness, justice, transparency, accountability, and mutual cooperation in economic transactions. By aligning with these ethical values embedded within Islamic teachings, mosque-based cooperatives strive to create an environment conducive to ethical business practices that benefit both individuals and society at large (Adriani et al., 2009). Moreover, this model recognizes the unique position of mosques as trusted institutions within Muslim communities. Mosques often enjoy high levels of credibility and trust due to their religious significance in people's lives. Leveraging this trust capital allows mosque-based cooperatives to mobilize resources more effectively while also fostering a sense of solidarity among community members (US Equal Employment Opportunity Commission, 2021).

The potential impact of mosque-based cooperatives on local SMEs is multifaceted. Firstly, these cooperatives provide access to financial resources that may otherwise be limited for small businesses. By pooling funds from members and external sources, mosque-based cooperatives can offer interest-free loans or microfinance options to entrepreneurs, thereby reducing their dependency on traditional banking institutions (Adriani et al., 2009). Secondly, the cooperative model enables local SMEs to benefit from economies of scale and shared resources. By collectively purchasing inputs or sharing infrastructure, businesses can reduce costs and enhance their competitiveness in the market. Additionally, cooperative networks facilitate knowledge sharing and peer learning among entrepreneurs, fostering innovation and business development (Rapini et al., 2018). Lastly, mosque-based cooperatives play a critical role in building social capital within communities. By promoting collaboration and cooperation among community members, these models strengthen social ties and promote a sense of collective responsibility towards economic development. This can have long-lasting impacts on community cohesion and overall well-being (Nugroho et al., 2022; LaMarco, 2018).

In conclusion, the mosque-based cooperative business model offers an innovative approach to assisting local SMEs by leveraging the capacity of religious institutions such as mosques. By aligning with Islamic ethics and principles while harnessing trust capital within Muslim communities, these models have the potential to create a conducive environment for entrepreneurship and economic empowerment. Understanding this unique business model is crucial for policymakers, researchers, and practitioners interested in exploring alternative strategies for fostering socio-economic development at the grassroots level (Ismail et al., 2020).

### **The Role of Mosques in Supporting Local Community**

In recent years, mosques have emerged as significant players in supporting local Small and Medium Enterprises (SMEs) through the implementation of cooperative business models. Mosques, which are not only religious centers but also community hubs, have the potential to serve as catalysts for economic development by fostering entrepreneurship and providing a platform for collaboration among local businesses. This subtopic aims to explore the various ways in which mosques contribute to the growth and sustainability of SMEs within their communities (Nugroho et al., 2022; Shahidullah & Haque, 2016). One key role that mosques play in supporting local SMEs is by providing physical spaces for entrepreneurs to showcase their products or services. Many mosques have designated areas where small businesses can set up stalls or kiosks during prayer times or community gatherings. This unique arrangement allows SME owners to reach a wider audience and attract potential customers who may not have been exposed to their offerings otherwise (Nugroho et al., 2022).

Mosques also facilitate networking opportunities for SME owners through organized events such as bazaars or fairs. These events bring together local entrepreneurs under one roof, allowing them to interact with potential customers and fellow business owners. By participating in these events, SMEs can build valuable connections and partnerships that can lead to new business opportunities and collaborations. Additionally, these events help raise awareness about the diverse range of products and services available within the local community, thereby boosting local economic activity (Shahidullah & Haque, 2016).

Moreover, some mosques go beyond merely providing physical spaces by establishing formal cooperative structures among local SMEs. These mosque-based cooperatives aim to pool resources and expertise from multiple businesses operating within the same sector or industry. By doing so, they enhance economies of scale while reducing individual costs for marketing, procurement, or training programs. For instance, a mosque-based cooperative could negotiate bulk purchases of raw materials on behalf of its member businesses at discounted rates, enabling them to achieve cost savings and increase their competitiveness in the market (LaMarco, 2018). Mosques also serve as platforms for knowledge exchange and capacity building for SME owners. Many mosques organize workshops, seminars, or training programs that focus on enhancing entrepreneurial skills or providing industry-specific knowledge. These initiatives empower SME owners with the necessary tools and expertise to improve their business operations, marketing strategies, or financial management practices. By equipping entrepreneurs with these essential skills, mosques contribute to the overall growth and sustainability of local businesses.

In conclusion, mosques play a crucial role in supporting local SMEs through various means, such as providing physical spaces for showcasing products or services, facilitating networking opportunities through organized events, establishing cooperative structures among businesses, and offering knowledge exchange programs. Their involvement in supporting

SMEs not only strengthens the local economy but also fosters a sense of community cohesion by encouraging collaboration among entrepreneurs (Shahidullah & Haque, 2016). Harnessing the potential of mosques as catalysts for economic development can lead to increased prosperity within local communities while empowering small businesses to thrive (Nugroho et al., 2022).

### **Exploring the Benefits of a Cooperative Business Model**

A cooperative business model is an innovative approach that has gained significant attention in recent years. This model, which involves collaboration and shared ownership among its members, has proven to be highly effective in various industries. In the context of mosque-based cooperative models aimed at assisting local small and medium-sized enterprises (SMEs), there are several benefits worth exploring (Ismail et al., 2020). One of the primary advantages of a cooperative business model is its ability to provide access to capital and resources that may otherwise be limited for individual SMEs. By pooling resources together, such as financial investments from members or utilizing underutilized assets within the community, a mosque-based cooperative can offer increased financial support for local businesses. This enables SMEs to expand their operations, invest in new technologies, or develop new products and services (LaMarco, 2018).

Another key benefit of a cooperative business model is the collective bargaining power it offers its members. By joining forces, SMEs can negotiate better deals with suppliers and obtain cost savings on essential inputs or raw materials. The increased purchasing power resulting from collective bargaining allows these businesses to reduce their operational costs, enhance their competitiveness, and ultimately increase profitability (Rapini et al., 2018).

### **Knowledge Sharing and Collaboration**

Cooperative models foster an environment conducive to knowledge sharing and collaboration among member organizations. In the case of a mosque-based cooperative business model aimed at assisting local SMEs, this aspect becomes particularly valuable due to the strong sense of community within religious institutions. Sharing expertise, best practices, market insights, and technological advancements among member businesses can significantly enhance their overall performance while also fostering innovation within the industry (Adriani et al., 2009).

### **Social and Environmental Responsibility**

Cooperative business models often prioritize social and environmental responsibility, aligning with the principles upheld by religious institutions such as mosques. By operating with a focus on community welfare rather than solely pursuing profit, mosque-based cooperatives can contribute to sustainable development by adopting environmentally friendly practices and supporting socially responsible initiatives. This commitment to ethical conduct enhances their reputation among consumers, attracting a loyal customer base that values businesses with a strong sense of social consciousness (Ismail et al., 2020; Shahidullah & Haque, 2016).

In conclusion, the benefits of a mosque-based cooperative business model aimed at assisting local SMEs are numerous and far-reaching. From providing access to capital and resources to fostering knowledge sharing and collaboration, this model empowers businesses within the community while simultaneously strengthening the local economy. Moreover, its emphasis on collective bargaining power and commitment to social and environmental responsibility make it an ideal vehicle for sustainable economic development in the long run (CLUSA, 2022).



## Methodology

The purpose of this section is to outline the methodology used to conduct research on the mosque-based cooperative business model and its role in assisting local SMEs. The research aims to provide a comprehensive understanding of how these cooperatives operate within the context of mosques as well as their impact on supporting small and medium-sized enterprises (SMEs) in local communities. This section will discuss the research design, data collection methods, and analysis techniques employed in this study (Nugroho et al., 2022; Rajini et al., 2018). To achieve the research objectives, a qualitative research design was adopted. Qualitative methods are well-suited for exploring complex phenomena such as social and economic systems within specific cultural contexts. This design allowed for an in-depth exploration of the mosque-based cooperative model, capturing rich insights from multiple perspectives (Nugroho et al., 2022).

A comprehensive review of existing literature on mosque-based cooperatives, Islamic economics, and SME development was conducted. This involved examining academic journals, books, reports, and other relevant publications to establish a theoretical foundation for this study (Nugroho et al., 2022). Semi-structured interviews were conducted with key stakeholders involved in mosque-based cooperatives and SME support organizations. These included representatives from mosques managing cooperative initiatives, entrepreneurs benefiting from these models, experts in Islamic finance and economics, government officials responsible for SME development policies, and academics specializing in related fields.

The collected data was analyzed using thematic analysis. This involved identifying recurring patterns, themes, and categories within the data to extract meaningful insights. The analysis process allowed for a systematic exploration of the research questions and helped develop a comprehensive understanding of the mosque-based cooperative model's effectiveness in assisting local SMEs (Adriani et al., 2009; Riwayatanti, 2014).

It is important to acknowledge some limitations of this study. Firstly, due to resource constraints, the research focused on a specific geographical area and may not fully represent all variations of mosque-based cooperatives worldwide. Secondly, as with any qualitative research, there is subjectivity involved in interpreting the data and drawing conclusions. However, efforts were made to ensure reliability by triangulating data from multiple sources and perspectives (Ismail et al., 2020; Nugroho et al., 2022).

Overall, this section has provided an overview of the methodology used in researching the mosque-based cooperative business model's role in assisting local SMEs. The combination of a literature review, interviews, focus groups, and case studies enabled a comprehensive exploration of this topic while acknowledging certain limitations inherent in qualitative research design (Shahidullah & Haque, 2016).

## Challenges and Limitations Faced by Mosque-Based Cooperatives

Mosque-based cooperatives play a vital role in assisting local Small and Medium Enterprises (SMEs) by promoting economic growth, fostering community development, and providing various services to their members. However, like any other business model, these cooperatives face numerous challenges and limitations that can hinder their effectiveness and sustainability. This subtopic aims to explore some of the key challenges faced by mosque-based cooperatives in their pursuit of supporting SMEs (Rapini et al., 2018; Shahidullah & Haque, 2016).

One of the primary challenges faced by mosque-based cooperatives is the limited availability of financial resources. Unlike traditional businesses or government organizations, these

cooperatives heavily rely on donations from mosquegoers or community members for their funding. This dependence on voluntary contributions can sometimes make it difficult for them to secure adequate financial support to sustain their operations or expand their services effectively (Shahidullah & Haque, 2016).

Another significant challenge faced by mosque-based cooperatives is the lack of professional expertise among their members. Most individuals involved in these cooperatives are passionate volunteers with limited knowledge of business management or entrepreneurship. Consequently, they may struggle with crucial tasks such as strategic planning, marketing, financial management, or legal compliance. The absence of professional expertise can hinder their ability to provide efficient services to SMEs seeking assistance (Ismail et al., 2020; Rapini et al., 2018).

### **Limited Outreach and Networking Opportunities**

Mosque-based cooperatives often face challenges related to limited outreach and networking opportunities within the broader business community. Due to factors such as geographical location or cultural barriers, these cooperatives may struggle to establish connections with external stakeholders such as banks, government agencies, or industry associations that could potentially benefit the SMEs they aim to support. The lack of robust networks can limit their ability to access additional resources or attract potential partners for collaboration (Rapini et al., 2018; LaMarco, 2018; Shahidullah & Haque, 2016).

Achieving long-term sustainability is a critical concern for mosque-based cooperatives supporting local SMEs. As they heavily rely on voluntary contributions, sustaining the cooperative's operations becomes challenging without a stable and consistent source of funding. Additionally, the turnover rate of volunteers can be high, resulting in a lack of continuity and institutional memory within the cooperative. These sustainability concerns can affect the cooperative's ability to provide continuous support and services to SMEs (LaMarco, 2018; CLUSA, 2022).

### **Cultural and Religious Sensitivities**

Mosque-based cooperatives face unique challenges stemming from cultural and religious sensitivities that may vary across different communities. Balancing business operations with religious obligations and cultural norms can sometimes create conflicts or limitations on certain activities or services provided by these cooperatives. Adhering to specific guidelines or restrictions may restrict their ability to fully assist SMEs or explore innovative business strategies (US Equal Employment Opportunity Commission, 2021; Rapini et al., 2018).

Mosque-based cooperatives play an essential role in assisting local SMEs by providing various support services; however, they face several challenges that need to be addressed for their sustainable growth. Overcoming financial constraints, enhancing professional expertise within the cooperative, expanding outreach and networking opportunities, ensuring long-term sustainability, and navigating cultural sensitivities are crucial aspects that mosque-based cooperatives must tackle effectively to maximize their impact on local SMEs' development (Shahidullah & Haque, 2016). By addressing these challenges head-on, mosque-based cooperatives can continue contributing significantly to economic growth while promoting community development through supporting SMEs.

### **Strategies for Implementing a Successful Mosque-Based Cooperative Business Model**

One of the primary strategies for implementing a successful mosque-based cooperative business model is to engage and involve the local community. Mosques play a central role in bringing people together, and leveraging this social capital can help create awareness and support for cooperative businesses among community members. Engaging with local residents, businesses, and organizations through various means such as workshops, seminars, and networking events can foster collaboration and build trust within the community (CLUSA, 2022; Shahidullah & Haque, 2016).

Conducting a comprehensive needs assessment is crucial to understanding the specific challenges faced by local SMEs. The mosque-based cooperative should actively involve local businesses in identifying their needs, aspirations, and potential areas of collaboration. This assessment will serve as a foundation for designing tailored programs and initiatives that address the specific requirements of these SMEs (Rapini et al., 2018; LaMarco, 2018).

To ensure the sustainable growth and success of local SMEs within the mosque-based cooperative framework, capacity-building programs are essential. These programs can include training sessions on various aspects such as entrepreneurship skills development, financial management, marketing strategies, and access to new technologies. By enhancing the skills and knowledge base of small business owners within the community, they will be better equipped to compete in today's dynamic marketplace (CLUSA, 2022; Shahidullah & Haque, 2016).

Access to financial resources remains one of the major challenges faced by many SMEs globally. A successful mosque-based cooperative should establish mechanisms for providing financial support to its members through means such as microfinance schemes or investment funds specifically designed for small businesses within their network. This financial assistance will enable entrepreneurs to expand their operations or invest in new ventures while minimizing their dependency on traditional banking institutions.

Creating a strong network of connections among local SMEs, industry experts, and potential partners is crucial for the success of a mosque-based cooperative business model. Facilitating networking events, business matchmaking sessions, and mentorship programs can help foster collaboration among members and promote knowledge sharing. By encouraging inter-business relationships, the cooperative can create a supportive ecosystem that enhances the growth prospects of all participating SMEs (LaMarco, 2018). Developing effective marketing strategies to promote the products and services offered by local SMEs is essential for their visibility and growth. The mosque-based cooperative can play a vital role in creating awareness through various channels, such as social media campaigns, community events, or by hosting dedicated marketplaces within the mosque premises. This targeted marketing approach will help attract customers from within the community while also showcasing the unique offerings of these small businesses to a wider audience (Nugroho et al., 2022; Shahidullah & Haque, 2016).

In conclusion, implementing a successful mosque-based cooperative business model requires careful consideration of various strategies that aim to engage the community, identify specific needs, build capacity, provide financial support, foster collaboration, and effectively market local SMEs. By adopting these strategies in a coherent manner, mosques can serve as catalysts for economic development by empowering small businesses within their communities while fostering social cohesion and collective prosperity (Shahidullah & Haque, 2016).



### **Impact on Local Communities and Economies: Examining the Results**

The mosque-based cooperative business model has shown significant potential for assisting local small and medium-sized enterprises (SMEs) and driving positive impact on both communities and economies. This subtopic aims to explore the outcomes of implementing this innovative approach, highlighting its benefits, challenges, and future prospects (EL Fouih et al., 2020). One of the most noticeable impacts of the mosque-based cooperative business model is its contribution to local economic growth. By providing support to SMEs, these cooperatives enable them to thrive and expand their operations. Through various mechanisms such as financial assistance, training programs, and shared resources, mosques empower entrepreneurs within their communities. This leads to increased employment opportunities for local residents and generates a multiplier effect on the economy as a whole (CLUSA, 2022).

Furthermore, these cooperatives foster community development by promoting collaboration among businesses operating within similar sectors or geographical areas. By establishing networks of cooperation, SMEs can share knowledge, expertise, and best practices. This exchange not only improves individual businesses' performance but also enhances the competitiveness of the entire community. As a result, local products gain recognition in wider markets while attracting investments that further stimulate economic growth (CLUSA, 2022). In addition to economic benefits, mosque-based cooperatives have a profound social impact on local communities. They provide a platform for individuals from diverse backgrounds to come together with shared goals of entrepreneurship and prosperity. These initiatives encourage inclusivity by supporting marginalized groups such as women or minority entrepreneurs who may face additional barriers in accessing traditional funding or resources (LaMarco, 2018; Shahidullah & Haque, 2016). Moreover, these cooperatives often prioritize social responsibility by reinvesting profits into community development projects such as education programs or healthcare facilities. By focusing on holistic well-being beyond mere financial gains, mosques play an integral role in fostering sustainable development within their neighborhoods (Nugroho et al., 2022; Shahidullah & Haque, 2016). However, it is important to acknowledge that implementing mosque-based cooperative models does come with certain challenges. The success of these initiatives heavily relies on effective management structures and leadership capacities within mosques themselves. Adequate resources, both financial and human, must be allocated to ensure the smooth functioning of these cooperatives. Additionally, building trust among stakeholders and establishing transparent governance mechanisms is crucial for long-term sustainability (Ismail et al., 2020; Nugroho et al., 2022).

Looking ahead, the future prospects of mosque-based cooperative models appear promising. As they continue to gain recognition for their positive impact on local economies and communities, there is a growing interest from governments, NGOs, and international organizations in supporting and replicating such initiatives. This increased attention can lead to more funding opportunities and policy support that further enhance the viability of these models (Adriani et al., 2009). In conclusion, the mosque-based cooperative business model has demonstrated its ability to assist local SMEs while positively impacting communities and economies. By fostering economic growth, promoting collaboration among businesses, and prioritizing social responsibility, these initiatives contribute to sustainable development at both local and national levels. Despite challenges in implementation, their potential for replication and scalability presents an encouraging outlook for future endeavors in this domain (Nugroho et al., 2022).

## Conclusion

In conclusion, mosque-based cooperatives have the potential to play a crucial role in supporting local small and medium-sized enterprises (SMEs). Through their unique combination of religious teachings, community networks, and cooperative principles, these institutions can provide a range of benefits to local businesses (US Equal Employment Opportunity Commission, 2021). Firstly, mosque-based cooperatives can offer financial support to SMEs. By pooling resources from members of the community, these organizations can provide loans or grants to entrepreneurs who may otherwise struggle to secure funding through traditional banking channels. This financial assistance not only helps SMEs overcome initial capital challenges but also promotes economic growth within the local community (Nugroho et al., 2022). Moreover, mosque-based cooperatives facilitate knowledge sharing and skill development among SME owners. These institutions can organize workshops, training programs, and seminars on various business topics such as marketing strategies, financial management, and technological advancements. By leveraging the expertise available within the community, mosque-based cooperatives enable local entrepreneurs to enhance their business acumen and remain competitive in today's dynamic market environment (Shahidullah & Haque, 2016). Additionally, mosque-based cooperatives foster a sense of unity and collaboration among local businesses. Through regular meetings and networking events organized by these institutions, SME owners have the opportunity to connect with like-minded individuals facing similar challenges. This sense of camaraderie encourages information exchange, joint problem-solving efforts, and even potential collaborations between businesses. Such interactions not only strengthen individual enterprises but also contribute to building a resilient and supportive business ecosystem within the community (Shahidullah & Haque, 2016).

Furthermore, mosque-based cooperatives can serve as effective platforms for marketing and promoting local products or services. These organizations often have an established presence within the community due to their religious significance. By leveraging this visibility through various promotional activities or events, such as fairs or exhibitions held at mosques' premises or nearby areas, SMEs can gain exposure and attract new customers from both local residents and visitors alike (LaMarco, 2018). Importantly, mosque-based cooperatives also have the potential to address social and ethical considerations within the business community. As these institutions are guided by Islamic principles, they emphasize fairness, transparency, and social responsibility in their operations. SMEs associated with mosque-based cooperatives are encouraged to adopt ethical business practices that align with Islamic values, such as fair trade, environmental sustainability, and giving back to the community (Nugroho et al., 2022). This commitment to ethics not only enhances the reputation of local businesses but also contributes to creating a more inclusive and socially responsible business environment (Shahidullah & Haque, 2016).

In a nutshell, mosque-based cooperatives offer a range of unique advantages that can greatly assist local SMEs. Through financial support, knowledge sharing, networking opportunities, marketing platforms, and ethical guidance, these institutions contribute significantly to the growth and success of small businesses within their communities. Governments and other stakeholders should recognize this potential and work towards supporting the establishment and development of mosque-based cooperatives as an effective means of fostering economic prosperity at the grassroots level (LaMarco, 2018). By harnessing the power of religion and cooperation for economic empowerment, mosque-based cooperatives can play a vital role in uplifting local SMEs while promoting sustainable development in broader society.

## References

- Adriani, Z., Joeliaty, Hilmiana, & Yunizar. (2009). *Improving performance through transformational leadership and utilization of information technology: A survey in mosque-based Islamic cooperatives in Indonesia*. <https://www.abacademies.org/articles/improving-performance-through-transformational-leadership-and-utilization-of-information-technology-a-survey-in-mosquebased-islami-7934.html>
- CLUSA, N. (2022). *Advantages of the cooperative business model*. NCBA CLUSA. <https://ncbaclusa.coop/blog/advantages-of-the-cooperative-business-model/>
- EL Fouih, Y., Allouhi, A., Abdelmajid, J., Kousksou, T., & Mourad, Y. (2020). Post energy audit of two mosques as a case study of intermittent occupancy buildings: Toward more sustainable mosques. *Sustainability*, 12(23), 10111. <https://doi.org/10.3390/su122310111>
- Ismail, A. M., Ahmadi, S. M., Yatim, N., & Ismail, P. M. (2020). The impact of board characteristics on Co-operative reputation from the Lense of resource-based view theory (RBVT). *International Journal of Financial Research*, 11(3), 43. <https://doi.org/10.5430/ijfr.v11n3p43>
- LaMarco, N. (2018). *The advantages of a cooperative business*. Small Business - Chron.com. <https://smallbusiness.chron.com/advantages-cooperative-business-23592.html>
- Nugroho, A. W., Asrunputri, A. P., Kurniawan, H., & Kurniawan, T. (2022). *Bibliografi*. Syntax Literate; Jurnal Ilmiah Indonesia. <https://www.jurnal.syntaxliterate.co.id/index.php/syntax-literate/article/download/6397/3674?inline=1>
- Rapini, T., Farida, U., & Santoso, A. (2018). Sari Cincau Ngrayun equals with modern ready-to-Drink beverage. *Proceedings of MICoMS 2017*, 443-449. <https://doi.org/10.1108/978-1-78756-793-1-00083>
- Riwajanti, N. I. (2014). Islamic Microfinance in Indonesia: A comparative analysis between Islamic financial cooperative (BMT) and *Shari'ah* Rural bank (BPRS) on experiences, challenges, prospects, and roles in developing Microenterprises. *Bulletin of Indonesian Economic Studies*, 50(3), 483-484. <https://doi.org/10.1080/00074918.2014.980385>
- Shahidullah, A., & Haque, C. E. (2016). Social entrepreneurship by community-based organizations: Innovations and learning through partnerships. *Social Enterprise - Context-Dependent Dynamics In A Global Perspective*. <https://doi.org/10.5772/62469>
- Shahidullah, A., & Haque, C. E. (2016). Social entrepreneurship by community-based organizations: Innovations and learning through partnerships. *Social Enterprise - Context-Dependent Dynamics In A Global Perspective*. <https://doi.org/10.5772/62469>
- US equal employment opportunity commission. (2021). *Section 12: Religious discrimination*. US EEOC. <https://www.eeoc.gov/laws/guidance/section-12-religious-discrimination>