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ISLAMIC COMMUNITY EMPOWERMENT THROUGH MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs) DEVELOPMENT: THE STRATEGY OF MUHAMMADIYAH REGIONAL LEADERSHIP IN MEDAN

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Abstract

This study examines the Islamic community empowerment strategy implemented by the Muhammadiyah Regional Leadership (*Pimpinan Daerah Muhammadiyah*/PDM) in developing Micro, Small, and Medium Enterprises (MSMEs) in the Mandala By Pass area of Medan City. As a religious-based community organization, Muhammadiyah plays a significant role as an agent of community economic development, particularly in addressing challenges faced by MSMEs such as limited capital access, low managerial capacity, and minimal digital technology utilization. This study employed a qualitative method with a descriptive approach. Data were collected through in-depth interviews, participatory observation, and documentation involving PDM administrators and MSME actors, and analyzed using the interactive model of Miles and Huberman, with source and method triangulation for validation. The findings reveal that the empowerment strategy was carried out systematically and participatorily across three dimensions: (1) strategic planning based on socio-economic mapping and community needs assessment; (2) sustained mentoring and guidance through management training, digital marketing, and periodic evaluation; and (3) implementation of community economic programs grounded in Islamic economic values such as honesty (*ṣidq*), trustworthiness (*amānah*), and social responsibility. This study contributes a replicable model of value-based Islamic community development led by religious organizations at the local level.

Keywords: Islamic Community Empowerment; Muhammadiyah; MSME Development; Islamic Economics; Community Economic Development; Social Welfare.

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Abstrak

Penelitian ini mengkaji strategi pemberdayaan masyarakat Islam yang dilaksanakan oleh Pimpinan Daerah Muhammadiyah (PDM) dalam pengembangan Usaha Mikro, Kecil, dan Menengah (UMKM) di kawasan Jalan Mandala By Pass, Kota Medan. Sebagai organisasi berbasis keagamaan, Muhammadiyah berperan penting sebagai agen pengembangan ekonomi umat, khususnya dalam mengatasi berbagai tantangan yang dihadapi pelaku UMKM seperti keterbatasan akses modal, rendahnya kapasitas manajerial, dan minimnya pemanfaatan teknologi digital. Penelitian ini menggunakan metode kualitatif dengan pendekatan deskriptif. Data diperoleh melalui wawancara mendalam, observasi partisipatif, dan dokumentasi terhadap pengurus PDM dan pelaku UMKM, serta dianalisis menggunakan model interaktif Miles dan Huberman dengan triangulasi sumber dan teknik. Hasil penelitian menunjukkan bahwa strategi pemberdayaan dilaksanakan secara sistematis dan partisipatif melalui tiga dimensi: (1) perencanaan strategis berbasis pemetaan sosial-ekonomi dan identifikasi kebutuhan masyarakat; (2) pendampingan dan pembinaan berkelanjutan melalui pelatihan manajemen usaha, pemasaran digital, serta evaluasi berkala; dan (3) implementasi program ekonomi umat yang mengintegrasikan nilai-nilai ekonomi Islam seperti kejujuran (ṣidq), amanah, dan tanggung jawab sosial. Penelitian ini berkontribusi pada model pemberdayaan masyarakat Islam berbasis nilai yang dapat direplikasi oleh organisasi keagamaan lain di tingkat lokal.

Kata Kunci: Pemberdayaan Masyarakat Islam; Muhammadiyah; Pengembangan UMKM; Ekonomi Islam; Pembangunan Ekonomi Komunitas; Kesejahteraan Sosial.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are one of the main pillars in Indonesia's national economic development. The existence of MSMEs not only contributes to economic growth but also plays an important role in employment absorption, poverty alleviation, and equitable distribution of community income.[1] In the context of the local economy, MSMEs become a driving force capable of surviving amid the dynamics of global economic changes and crises, so their existence needs to be continuously strengthened through various sustainable empowerment strategies.

Amid the development of the urban economy, the Mandala By Pass Street area in the city of Medan has become one of the strategic regions with great potential for the development of MSMEs. This area is known as the center of community economic activities with various types of businesses, ranging from trade, culinary, to services. However, MSME actors in this area still face various challenges, such as limited access to capital, low managerial capacity, minimal use of digital technology, and weak marketing networks. These conditions indicate that MSMEs need guidance and strategic interventions from various parties, including community organizations.

One of the organizations that plays a significant role in community empowerment is Muhammadiyah. As a modern Islamic organization engaged in the fields of da'wah, education, social affairs, and economy, Muhammadiyah not only focuses on religious

[1]Fuadi, Dedi Sugara, Ade Sadikin Akhyadi, and Iip Saripah. "Strategi Pemberdayaan Pelaku UMKM Menuju Ekonomi Digital Melalui Aksi Sosial." *Diklus: Jurnal Pendidikan Luar Sekolah* 5, no. 1 (2020).

aspects but is also active in strengthening the community's economy.[2] Through its institutional structure at the regional level, namely the Muhammadiyah Regional Leadership (*Pimpinan Daerah Muhammadiyah*/PDM), this organization has the capacity to design and implement community-based economic empowerment programs, including in the MSME sector.

The empowerment strategy carried out by the Muhammadiyah Regional Leadership is an interesting subject of study, particularly in the context of how this organization is able to integrate Islamic values with a modern economic approach. MSME empowerment is not solely oriented toward increasing income, but also toward strengthening independence, work ethic, and the spiritual values of business actors. This is consistent with the concept of Islamic economics, which emphasizes the balance between material and moral aspects in economic activities.[3]

Nevertheless, empirical studies on the strategy of the Muhammadiyah Regional Leadership in empowering MSMEs, particularly in the Mandala By Pass area, remain relatively limited. Most previous research has focused more on the role of the government or financial institutions in MSME development, while the role of religious-based community organizations has not been extensively explored. Yet organizations such as Muhammadiyah possess strong social networks and emotional proximity to the community, which can serve as social capital in supporting the success of empowerment programs.

Therefore, this study is important in order to examine in depth the strategies employed by the Muhammadiyah Regional Leadership in empowering MSMEs in the Mandala By Pass area. The focus of the study is not only on the types of programs implemented, but also on the approaches adopted, the challenges encountered, and the impact produced on the capacity and independence of MSME actors. Accordingly, the findings of this study are expected to provide a theoretical contribution to the development of research on economic empowerment based on religious organizations, as well as a practical contribution to the strengthening of MSMEs at the local level.

Research on the empowerment of Micro, Small, and Medium Enterprises (MSMEs) has grown rapidly in academic literature, particularly in the context of community-based economic development. Most studies position the government as the primary actor in driving MSME growth through public policy, entrepreneurship training, and access to financing.[4] In addition, other studies also emphasize the importance of digitalization and innovation as adaptive strategies for MSMEs in facing global competition.[5] These approaches suggest that MSME empowerment has generally remained focused on economic and technical aspects, such as increasing production capacity and market access.

On the other hand, a number of studies have begun to examine the role of Islamic-based institutions in community economic empowerment, such as zakat institutions, Islamic cooperatives, and *Baitul Maal wat Tamwil* (BMT). Studies show that these institutions play a role in providing sharia-based financing and business mentoring oriented

[2]Rohmawati, Lilis, and Masruchin. "Optimalisasi Pendistribusian ZIS melalui Program Pemberdayaan UMKM di Lazismu Sidoarjo dalam Perspektif Maqashid Syariah." *Jurnal Tabarru'* 7, no. 1 (2024).

[3] Nasution, Syamsurizal, Siti Mujiatun, Reza Fanreza, Nurzannah, and Ahmad Munasip. "Pemberdayaan UMKM dalam Meningkatkan Profitabilitas di Lingkungan Amal Usaha Muhammadiyah di Medan." *ABDI SABHA: Jurnal Pengabdian kepada Masyarakat* 5, no. 3 (2023).

[4]Arofah, Zulfa, Imam Murti, and Radjikan. "Strategi Pemberdayaan UMKM dalam Meningkatkan Pertumbuhan Ekonomi." *Praja Observer: Jurnal Penelitian Administrasi Publik* 5, no. 2 (2024).

[5]Haikal, Fahri Muhammad, Sri Murtiana, and Haetami. "Strategi Pemberdayaan UMKM dalam Meningkatkan Pertumbuhan Ekonomi Indonesia." *Citizen: Jurnal Ilmiah Multidisiplin Indonesia* 5, no. 6 (2024).

toward improving community welfare.[6] However, research on the role of Islamic community organizations such as Muhammadiyah in MSME empowerment remains relatively limited, particularly when viewed from the perspective of organizational strategy at the regional level.

Several studies related to Muhammadiyah have generally focused on the role of its charitable enterprises (*amal usaha*), such as education and healthcare, as well as productive zakat programs in improving community welfare.[7] Nevertheless, studies that specifically address how the Muhammadiyah Regional Leadership (PDM) designs and implements MSME empowerment strategies, particularly in urban areas, have not been widely found. This indicates a research gap in understanding the contribution of modern religious organizations to community-based local economic development.

Furthermore, most previous studies tend to adopt macro or national-level approaches, which provide limited contextual insight into the dynamics of MSME empowerment at the local level. Yet the social, cultural, and economic characteristics of each region significantly influence the success of the empowerment strategies applied.[8] In this context, the Mandala By Pass area in Medan City, as one of the centers of community economic activity, presents both potential and unique challenges that have not been widely studied academically.

Based on the foregoing, several research gaps can be identified. First, there is a lack of studies that highlight the role of Islamic community organizations, particularly Muhammadiyah, in MSME empowerment from an organizational strategy perspective. Second, there is insufficient research examining MSME empowerment in the context of specific urban areas with unique local economic characteristics. Third, there is limited integration between modern economic approaches and Islamic values in the analysis of MSME empowerment.

As an effort to address these gaps, this study offers several elements of novelty. First, this study focuses on the strategy of the Muhammadiyah Regional Leadership in MSME empowerment, thereby providing a new perspective on the role of religious organizations in local economic development. Second, this study specifically examines the context of the Mandala By Pass area, yielding findings that are more contextual and grounded in local realities. Third, this study integrates an organizational strategy approach with Islamic economic values, producing an empowerment model that is not only oriented toward economic growth but also toward strengthening the ethics, spirituality, and independence of MSME actors. Thus, this study is expected to provide a theoretical contribution in enriching the scholarship on religious organization-based economic empowerment, as well as a practical contribution as an alternative model for the sustainable and value-based development of MSMEs.

LITERATURE REVIEW

Strategy is a fundamental element in the success of an organization in achieving its established goals. According to Abdillah, strategy is a means of achieving long-term

[6]Romadi, Achmad Bisyri, and Jaharuddin. "Strategi Lembaga Keuangan Syariah dalam Pemberdayaan UMKM di Indonesia." *EKOMA: Jurnal Ekonomi, Manajemen, Akuntansi* (2024).

[7]Lubis, Fauziah Aini, Novi Ayu Budi Rahmani, and Indah Kemala Putri. "Strategi Pemberdayaan UMKM melalui Program Mekaar Perspektif Ekonomi Islam." *Jurnal Ilmiah Ekonomi Islam* 9, no. 1 (2023).

[8] Fauziyah, Anisa, Ahmad Khoirul Ihsan, Junemi Junemi, Nur Hasanah, Galih Pratama, and Muhammad Ridwan. "Strategi Pemberdayaan UMKM Berbasis Maqashid al-Shariah dalam Mendukung SDGs." *JEMBA: Jurnal Ekonomi dan Bisnis* (2024).

objectives through a series of planned and integrated actions.[9] In the context of social-religious organizations, strategy is not solely oriented toward economic achievement, but also toward social and spiritual values. This is consistent with the view of Almtiri, who emphasizes that strategy can be understood as a consistent pattern of action within an organization that reflects adaptation to its environment.[10]

In the context of community economic empowerment, Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in improving community welfare. MSMEs have proven capable of absorbing large numbers of workers and serving as the backbone of the national economy. In addition, MSMEs also function as an instrument of economic equity and poverty alleviation.[11] Therefore, strengthening the MSME sector has become one of the primary focuses in community-based economic development.

MSME empowerment is essentially a process of increasing the capacity of individuals and business groups to become independent and competitive. According to Robert Chambers, empowerment is an effort to enhance the ability of communities to control their own lives through access to resources, information, and opportunities. In practice, MSME empowerment encompasses various aspects such as skills development, access to capital, and the strengthening of marketing networks.[12]

Effective MSME empowerment strategies generally involve several key approaches. First, increasing human resource capacity through entrepreneurship training and education. Second, providing adequate access to financing in order to overcome limitations in business capital. Third, strengthening market access through the use of digital technology and distribution networks. Fourth, providing sustained business mentoring to ensure the continuity and growth of enterprises.[13] This approach affirms that empowerment must not be temporary in nature, but must be oriented toward sustainability.

In the context of Islamic organizations, Muhammadiyah plays an important role in the economic empowerment of the Muslim community (*umat*). As one of the largest Islamic organizations in Indonesia, Muhammadiyah is active not only in the fields of education and social affairs, but also in community-based economic development. The Muhammadiyah Regional Leadership holds strategic responsibility for designing and implementing MSME empowerment programs that are aligned with the needs of local communities.[14]

The role of Muhammadiyah in MSME empowerment is also inseparable from Islamic economic values that emphasize justice, blessing (*barakah*), and collective welfare. From the perspective of Islamic economics, economic activities must be oriented toward the welfare

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[9]Abdillah, Leon A., Aisyah, Wahdyta Putri Panggabean, and Sayfiyev Eldor Erkinovich. "Knowledge of Songket Cloth Small Medium Enterprise Digital Transformation." *Sinkron: Jurnal dan Penelitian Teknik Informatika* 9, no. 1 (January 2024): 1–10. https://doi.org/10.33395/sinkron.v9i1.13408.

[10]Almtiri, Ziad Hmwd A., Shah Jahan Miah, and Nasimul Noman. "Application of E-Commerce Technologies in Accelerating the Success of SME Operation." In *Proceedings of Seventh International Congress on Information and Communication Technology*, edited by Xin-She Yang, Simon Sherratt, Nilanjan Dey, and Amit Joshi, 463–470. Lecture Notes in Networks and Systems, vol. 448. Singapore: Springer, 2023. https://doi.org/10.1007/978-981-19-1610-6_40.

[11]Latief, Hilman. *Melayani Umat: Filantropi Islam dan Ideologi Kesejahteraan Kaum Modernis*. Jakarta: Suara Muhammadiyah, 2017.

[12]Fauzia, Amelia. "Islamic Philanthropy in Indonesia: Modernization, Islamization, and Social Justice." *Advances in Southeast Asian Studies* 10, no. 2 (2017): 239–261. https://doi.org/10.14764/10.ASEAS-2017.2-5.

[13] Sedyastuti, Kristina. "Analisis Pemberdayaan UMKM dalam Meningkatkan Kesejahteraan Masyarakat." *Jurnal Ekonomi Pembangunan* 16, no. 1 (2023).

[14]Ascarya. "Peran Lembaga Keuangan Syariah dalam Pemberdayaan UMKM." *Jurnal Ekonomi Islam Indonesia* 7, no. 2 (2022).

of the community (*maslahah*) and must not be driven solely by profit.[15] Therefore, MSME empowerment programs carried out by Muhammadiyah are often integrated with Islamic philanthropic approaches such as zakat, infaq, and sadaqah, which are managed productively.

Furthermore, MSME empowerment within the Muhammadiyah environment also involves inter-institutional synergy, such as between zakat institutions and Muhammadiyah's charitable enterprises (*amal usaha*), which can serve as sources of funding and market access for MSME products. This demonstrates that the empowerment strategy employed is collaborative and network-based (*network-based empowerment*). Nevertheless, several studies indicate that the implementation of this strategy still faces various challenges, including limited resources, insufficient intensive mentoring, and the suboptimal utilization of digital technology.[16]

Thus, the strategy of the Muhammadiyah Regional Leadership in MSME empowerment can be understood as a systematic effort that integrates managerial, social, and spiritual dimensions. This strategy aims not only to enhance the economic capacity of MSME actors, but also to realize the economic independence of the Muslim community grounded in Islamic values. Therefore, examining this strategy is important for understanding how religious organizations can make a meaningful contribution to community economic development, particularly in the Mandala By Pass area.

METHOD

This study employs a qualitative method with a descriptive approach. The qualitative method aims to obtain an in-depth understanding of the strategy of the Muhammadiyah Regional Leadership in empowering Micro, Small, and Medium Enterprises (MSMEs) in the Mandala By Pass area through observation of the behaviors, perceptions, and actions of the parties involved. This approach is carried out by describing research findings in the form of systematic and in-depth verbal accounts. Qualitative research focuses not only on final outcomes, but also on processes, meanings, and social dynamics that occur naturally within the research setting. Through a naturalistic inquiry approach, this study seeks to understand the ideas, values, symbols, and communication patterns employed by the Muhammadiyah leadership in implementing MSME empowerment programs. The characteristics of this research are reflected in its emphasis on detail, the use of multiple data collection techniques, and its holistic and contextual nature. The research findings are presented in descriptive narrative form in order to depict the phenomenon comprehensively and in its entirety.[17]

This study was conducted at the Office of the Muhammadiyah Branch Leadership (*Pimpinan Cabang Muhammadiyah*) of Medan City, located on Mandala By Pass Street. This location was selected because it serves as the operational center of the organization in designing, managing, and implementing MSME empowerment programs. The selection of this site enabled the researcher to directly observe the organization's internal and external communication processes, the interactions between Muhammadiyah administrators and MSME actors, and to access official documents and other supporting activities. The study was scheduled to commence in February 2026 and continued until the data collection process was deemed sufficient to meet the needs of the research.

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[15]Beik, Irfan Syauqi, and Laily Dwi Arsyianti. "Peran Zakat dalam Pemberdayaan Ekonomi Umat." *Jurnal Ekonomi dan Pembangunan* 24, no. 1 (2021).

[16]Karem, Nur Azizah, Yuliani Yuliani, and Baiq Mutafarrida. "Strategi Pemberdayaan UMKM di Kota Kediri." *Jurnal Ilmiah Nusantara* 1, no. 4 (2023).

[17] Muhtadi, Fauzi. *Pendekatan Kualitatif dalam Penelitian Pendidikan: Konsep, Implementasi, dan Tantangan*. 2025.

Data sources in qualitative research encompass various forms of information relevant to understanding the phenomenon under study. The data used in this study consist of primary and secondary data. Primary data were obtained through in-depth interviews with Muhammadiyah administrators and MSME owners in the Mandala By Pass area. In addition, primary data were also gathered through direct observation of the implementation of MSME empowerment programs. These data were used to understand how communication strategies are designed, implemented, and evaluated, as well as how community members perceive the transparency, credibility, and impact of Muhammadiyah's programs on the development of their businesses. Secondary data, meanwhile, were obtained from official Muhammadiyah documents, activity reports, program archives, and relevant academic literature on organizational communication strategies and MSME empowerment. These secondary data serve as supplementary material to strengthen the analysis and provide a theoretical foundation for interpreting the primary data.[18]

Data collection techniques in this study include interviews, observation, and documentation. Interviews were conducted in a semi-structured manner to allow the researcher to explore information in depth while remaining flexible in adapting to the context of each informant. Observation was carried out participatorily in order to directly observe the dynamics of communication, the process of message delivery, and the social interactions occurring in the implementation of MSME empowerment programs. Documentation was used to complement the data through the review of archives, activity reports, communication materials, and other supporting documents relevant to the study.

Data analysis in this study employed the interactive model of Miles and Huberman, which consists of three main components: data reduction, data display, and conclusion drawing or verification. Data reduction was carried out by selecting, focusing, and simplifying data relevant to the research objectives. Data display was presented in descriptive narrative form to facilitate the researcher in identifying patterns, relationships, and tendencies emerging from the field. Subsequently, conclusion drawing was conducted systematically through verification of the collected data, thereby yielding an in-depth understanding of the effectiveness of the communication strategies of the Muhammadiyah Regional Leadership in MSME empowerment.

This study applied source triangulation, technique triangulation, and member checking. Source triangulation was conducted by comparing information obtained from multiple informants, namely Muhammadiyah administrators and MSME actors. Technique triangulation was carried out by comparing the results of interviews, observation, and documentation to ensure data consistency. Member checking, meanwhile, was performed by confirming preliminary findings with the informants to ensure that the researcher's interpretations were consistent with their perspectives. Through the application of these techniques, the data obtained are expected to possess a level of validity, credibility, and scientific accountability that can be academically justified.

FINDINGS AND DISCUSSION

Findings

A. Planning Strategy of the Muhammadiyah Regional Leadership in MSME Empowerment in the Mandala By Pass Area

The observational findings indicate that the planning strategy implemented by the Muhammadiyah Regional Leadership (*Pimpinan Daerah Muhammadiyah*/PDM) in empowering Micro, Small, and Medium Enterprises (MSMEs) in the Mandala By Pass area was carried out systematically, structurally, and based on the actual needs of business actors.

[18]Ramadona, Fauzi. *Sumber Data, Subjek Penelitian, dan Isu Terkait*. 2025.

The planning was not spontaneous or incidental in nature; rather, it proceeded through stages of potential identification, needs analysis, and problem mapping related to the challenges faced by MSME actors.

Based on field observation, the initial stage of planning began with socio-economic mapping activities. The PDM adopted a persuasive approach toward MSME actors through direct visits to business sites in order to gather information regarding the type of business, scale of production, marketing constraints, access to capital, and level of managerial literacy. This approach reflects a participatory strategy, in which MSME actors are not merely the objects of the program but are actively engaged as subjects in the planning process.

Subsequently, the empowerment program planning was formulated in the form of periodic guidance activities, entrepreneurship training, and the strengthening of business networks. Observations indicate that the PDM compiled program agendas on a regular basis, encompassing group discussion forums, basic financial management training, and education on digital-based marketing. This suggests that the planning carried out is adaptive to the development of the digital economy and market needs.

In addition, the ideological values of Muhammadiyah also serve as a foundation in empowerment planning. The strategies designed are not solely profit-oriented, but also aimed at strengthening Islamic business ethics, such as the principles of honesty (*shiddiq*), trustworthiness (*amanah*), and social responsibility. In practice, program planning is directed toward cultivating MSME actors who are not only economically independent but also religious in character and integrity.

Observational findings also revealed a well-coordinated internal organizational process during the planning stage. The PDM involved relevant councils or institutions, particularly those operating in the fields of economics and entrepreneurship, in drafting the work plan. The deliberation (*musyawarah*) mechanism served as the primary method of decision-making, ensuring that the programs designed possessed organizational legitimacy and strong structural support.

From a strategic standpoint, the MSME empowerment planning in the Mandala By Pass area reflects a bottom-up planning model integrated with the organizational policy framework. This means that the aspirations and needs of business actors form the basis for program development, while remaining aligned with Muhammadiyah's vision of building the economic independence of the Muslim community.

Overall, the observational findings demonstrate that the planning strategy of the Muhammadiyah Regional Leadership in MSME empowerment in the Mandala By Pass area was implemented in a purposeful, participatory, value-based, and sustainability-oriented manner. The planning aims not only to enhance the economic capacity of MSME actors, but also to build a business ecosystem that is independent, competitive, and consistent with Islamic economic principles. These observational findings are also consistent with the interview findings, as presented below.

To corroborate the observational findings on the MSME empowerment planning strategy, the researcher conducted in-depth interviews with five informants comprising representatives from the leadership, program management, and MSME actors in the Mandala By Pass area. The interview results are consistent with the observational data, confirming that the strategy implemented by the PDM is planned, participatory, and grounded in Islamic values.

Informant I (PDM Chairperson):

> *"Before we put together the program, we went directly into the field to see the actual condition of people's businesses. We did not want the program to be based on assumptions. So we first collected data on their challenges – whether in capital, marketing, or management. From*

there, we developed the plan. Our principle is that empowerment is not just about profit, but about how MSMEs can become independent and sustainable."

Informant II (Chairperson of the Council for Economics and Entrepreneurship):

"Every program we run goes through internal deliberation. We discuss it at the council level, then align it with the annual work plan. There are targets and evaluations. We also structure the activities in stages, starting from basic training such as financial record-keeping to the introduction of digital marketing."

Informant III (MSME Facilitator):

"Usually before training is held, we first gather the MSME actors for a small discussion. We ask them directly what difficulties they feel most acutely. From that, we understand their needs. So they are not just participants – they also help determine the direction of the program. That makes them more enthusiastic."

Informant IV (Culinary MSME Actor):

"Previously, I never kept my financial records properly, so I did not actually know whether I was making a profit or not. After joining the training from Muhammadiyah, I was taught how to record income and expenses. We were also motivated to trade with honesty and trustworthiness. I feel more focused now."

Informant V (Trading MSME Actor):

"The programs that were made suited our situation as small businesses. Not too demanding, but gradual. There are also regular meetings to share experiences among fellow business actors. So we feel accompanied – not just trained once and then it is over."

Based on the observational and interview findings, the MSME empowerment planning strategy of the Muhammadiyah Regional Leadership in the Mandala By Pass area was implemented systematically, participatorily, and based on the actual needs of business actors. Planning began with socio-economic mapping, followed by the gradual and measurable development of guidance and training programs. This strategy is oriented not only toward enhancing economic capacity, but also toward strengthening Islamic business ethics, thereby promoting the independence and sustainability of MSMEs comprehensively.

B. MSME Mentoring and Guidance by the Muhammadiyah Regional Leadership in the Mandala By Pass Area

Observational findings indicate that the pattern of MSME mentoring and guidance carried out by the Muhammadiyah Regional Leadership (PDM) in the Mandala By Pass area was implemented in a sustained, purposeful, and field-needs-based manner. The mentoring was not ceremonial or incidental in nature, but conducted routinely through direct interaction between the mentoring team and business actors.

Based on field observation, the mentoring pattern began with a personal approach toward MSME actors. The mentoring team conducted direct visits to business sites to monitor business progress, identify constraints, and provide technical guidance appropriate to the condition of each business actor. This approach reflects a humanistic and persuasive mentoring model, fostering a relationship of trust between mentors and MSME actors.

In terms of guidance, the PDM organized periodic training activities and group discussions. The guidance material covered basic financial management, marketing strategies, product quality improvement, and the use of digital media as a promotional tool. Observations indicate that the guidance was delivered in a gradual and applied manner, adjusted to the level of understanding and business capacity of the participants.

Beyond technical guidance, the mentoring pattern also emphasized the strengthening of character and Islamic business ethics. In every meeting, mentors not only delivered entrepreneurship material but also incorporated values of honesty, trustworthiness, discipline, and social responsibility. This demonstrates that the empowerment carried out is not solely economically oriented, but also aimed at forming business actors of integrity.

Observational findings also revealed the presence of periodic evaluations of the progress of guided MSMEs. The PDM conducted monitoring of revenue growth, financial management, and the expansion of business networks. These evaluations served as the basis for determining subsequent guidance activities, ensuring that the mentoring pattern is dynamic and responsive to business development.

Overall, the pattern of MSME mentoring and guidance by the PDM in the Mandala By Pass area reflects a comprehensive approach encompassing technical, managerial, and spiritual dimensions. This pattern contributes to strengthening business capacity, building confidence among MSME actors, and fostering economic independence grounded in Islamic values and the principle of sustainability.

To corroborate the observational findings on the pattern of MSME mentoring and guidance in the Mandala By Pass area, the researcher conducted in-depth interviews with five informants comprising representatives from the leadership, mentors, and guided MSME actors under the Muhammadiyah Regional Leadership. The interview results are consistent with the observational findings, confirming that mentoring is conducted routinely, humanistically, in an applied manner, and grounded in Islamic values.

Informant I (PDM Chairperson):

"The mentoring we provide does not stop at training alone. After that, monitoring continues. We want these MSMEs to truly grow, so there must be regular visits and evaluations. The approach is also familial, so that they feel accompanied, not supervised."

Informant II (Chairperson of the Council for Economics and Entrepreneurship):

"We structure the guidance in stages. Not starting with heavy material. It begins with simple financial record-keeping, then business management, up to digital marketing. We also evaluate every period to observe their progress."

Informant III (Field Mentor):

"We regularly visit the business sites. There, we see directly how the business is developing and what challenges exist. Sometimes they are more open when talking directly at their place of business. So mentoring is not just theory – it is practice in the field."

Informant IV (Culinary MSME Actor):

"I feel helped because it is not just one training session – I am visited again often. If there are mistakes in record-keeping or product packaging, guidance is given right away. So we are more confident in running our business."

Informant V (Trading MSME Actor):

> *"There are regular meetings among fellow MSME actors where we can share experiences. We are also always reminded to trade with honesty and trustworthiness. So the guidance is not only about business, but also about attitude in trading."*

Based on the observational and interview findings, the pattern of MSME mentoring and guidance by the Muhammadiyah Regional Leadership in the Mandala By Pass area was implemented in a sustained, routine, and field-needs-based manner. Mentoring was carried out through direct visits, gradual training, and periodic evaluations covering managerial, technical, and marketing aspects. Furthermore, the guidance also emphasized the strengthening of Islamic business ethics such as honesty and trustworthiness. The mentoring pattern is thus comprehensive, as it not only enhances business capacity but also builds the character and independence of MSME actors on a sustained basis.

C. Implementation of the Community Economic Program (Program Ekonomi Umat) in Strengthening MSMEs in the Mandala By Pass Area

Observational findings indicate that the implementation of the community economic program (*program ekonomi umat*) carried out by the Muhammadiyah Regional Leadership (PDM) in the Mandala By Pass area proceeded in a purposeful manner and was oriented toward strengthening the business capacity of small-scale community entrepreneurs. This program is not merely normative as a discourse of economic movement, but is realized through concrete activities that directly reach MSME actors.

Based on field observation, program implementation began with the identification of business actors with development potential. The PDM conducted selection and data collection of active MSMEs and subsequently integrated them into the community economic guidance program. This step demonstrates that the program was implemented in a measured and data-based manner.

In practice, the implementation of the community economic program was realized through several forms of activity, including entrepreneurship training, business management strengthening, marketing network facilitation, and mentoring in basic financial management. Observations indicate that these activities were carried out on a regular and scheduled basis, ensuring that MSME actors received continuous guidance.

Beyond the technical dimension, the program implementation also emphasized Islamic economic values as the foundation of the movement. Every guidance activity was accompanied by the instillation of the principles of honesty, trustworthiness, diligence, and social responsibility. This reflects the understanding that the community economic program is oriented not only toward revenue growth, but also toward the formation of business actors of integrity.

Further observation revealed synergy between the organizational structure and business actors in running the program. The council or institution responsible for economic affairs played an active role in coordinating activities, while MSME actors demonstrated a notably high level of participation in every scheduled agenda. The interactions that developed were dialogic and collaborative in nature, ensuring that program implementation proceeded participatorily.

In terms of early observable impact, the implementation of the community economic program in the Mandala By Pass area showed an improvement in MSME actors' understanding of business management and marketing. Several business actors began applying more disciplined financial record-keeping and utilizing digital media for product promotion.

Overall, the observational findings indicate that the implementation of the community economic program by the PDM in the Mandala By Pass area was conducted in a concrete, sustained, and value-based manner. The program contributes to strengthening

MSME capacity while building the community's economic independence in a manner consistent with Islamic economic principles and the spirit of community empowerment.

To corroborate the observational findings on the implementation of the community economic program in strengthening MSMEs in the Mandala By Pass area, the researcher conducted in-depth interviews with five informants comprising representatives from the leadership, program management, and guided MSME actors under the Muhammadiyah Regional Leadership. The interview results are consistent with the observational findings, confirming that the community economic program was implemented in a concrete, structured, and Islamic-values-based manner.

Informant I (PDM Chairperson):

"This community economic program is not merely an idea on paper. We genuinely want to be present in helping MSME actors so that they become independent. So every activity we design must have an impact – both in terms of business management and the strengthening of the entrepreneurial mindset."

Informant II (Chairperson of the Council for Economics and Entrepreneurship):

"Program implementation starts with collecting data on active MSMEs, and then we include them in the guidance. There is management training, marketing, up to business network strengthening. All activities are scheduled and evaluated to ensure continuity."

Informant III (Program Mentor):

"We do not only deliver material in a room – we also go directly to help them practice. For example, how to record daily finances or create promotions on social media. So the implementation truly addresses their needs directly."

Informant IV (Culinary MSME Actor):

"After joining this program, I became more familiar with how to manage business finances. Before, I never recorded them properly. We are also always reminded to trade with honesty and trustworthiness. That is what motivates me the most."

Informant V (Trading MSME Actor):

"The program is not just about increasing revenue, but also about building togetherness. We are often gathered for discussions and sharing experiences. From that, we gain new networks and feel more confident in running our business."

Based on the observational and interview findings, the implementation of the community economic program by the Muhammadiyah Regional Leadership in the Mandala By Pass area was carried out in a concrete, structured, and sustained manner. The program began with MSME data collection, followed by management and marketing guidance, as well as practical mentoring that directly addressed the needs of business actors. In addition to enhancing technical and managerial capacity, the program also instilled Islamic business ethics values such as honesty and trustworthiness, thereby contributing to the strengthening of MSME actors' independence and character comprehensively.

Discussion

MSME empowerment within the framework of the community economy cannot conceptually be separated from community empowerment theory, which emphasizes the

active participation of the community as the subject of development. Zimmerman explains that empowerment is a process of increasing individuals' and groups' control over decisions and resources that affect their lives.[19] In this context, the implementation of the Community Economic Program by the Muhammadiyah Regional Leadership in the Mandala By Pass area demonstrates alignment with a participatory approach, as program planning begins with needs mapping and direct dialogue with MSME actors.

Theoretically, the needs assessment approach is a strategic step in ensuring that programs are well-targeted.[20] Observational findings show that the identification of business conditions, capital constraints, and marketing limitations formed the basis for designing training and mentoring activities. This demonstrates that the program is not top-down in nature, but is designed based on the socio-economic realities of the local community.

Furthermore, the concept of capacity building in MSME development emphasizes the importance of improving managerial competence and market access. The sustained mentoring activities, including basic financial record-keeping training and digital marketing strategies, are consistent with this perspective. This approach is relevant to the findings of Tambunan, who states that MSME sustainability is greatly influenced by management quality and adaptation to technological developments.[21]

From the perspective of Islamic economics, community economic empowerment aims not only to increase income but also to build business ethics grounded in sharia values such as honesty (*ṣidq*) and trustworthiness (*amanah*).[22] The program implementation that integrates moral guidance and social responsibility demonstrates that MSME strengthening is understood not merely as an economic activity, but as part of *dakwah bil hal*—propagation through action. This is consistent with the thinking of Antonio, who affirms that economic activities in Islam must contain spiritual and social dimensions.[23]

Thus, based on theoretical review and field findings, it can be concluded that the implementation strategy of the Community Economic Program by the Muhammadiyah Regional Leadership in the Mandala By Pass area reflects a participatory, needs-based, capacity-strengthening, and Islamic-values-integrated empowerment model. This model demonstrates the compatibility between modern empowerment theory and Islamic economic principles in building MSME independence on a sustained basis.

CONCLUSION

The planning strategy, mentoring pattern, and implementation of the Community Economic Program (Program Ekonomi Umat) by the Muhammadiyah Regional Leadership on Mandala By Pass Street were carried out in a systematic, participatory, and sustainable manner. Planning began with socio-economic mapping and the identification of the actual needs of MSME actors, and was subsequently realized through gradual guidance, management and marketing training, as well as routine mentoring accompanied by periodic evaluations. The program not only enhanced the technical capacity and managerial literacy of business actors, but also instilled Islamic business ethics values such as honesty and trustworthiness, thereby contributing to the comprehensive strengthening of the community's economic independence. Theoretically, these findings reinforce the

[19]Zimmerman, Marc A. "Empowerment Theory: Psychological, Organizational and Community Levels of Analysis." In *Handbook of Community Psychology*, edited by Julian Rappaport and Edward Seidman, 43–63. New York: Springer, 2000.

[20]Sulastri, Lilis. *Manajemen Usaha Kecil dan Menengah*. Bandung: LaGood's Publishing, 2021.

[21]Tambunan, Tulus. *UMKM di Indonesia: Perkembangan dan Tantangan*. Jakarta: LP3ES, 2024.

[22]Chapra, Muhammad Umer. *The Future of Economics: An Islamic Perspective*. Leicester: The Islamic Foundation, 2000.

[23]Antonio, Muhammad Syafi'i. *Bank Syariah: Dari Teori ke Praktik*. Jakarta: Gema Insani, 2001.

participation-based empowerment model and bottom-up approach within the context of religious organizations; practically, this model can be replicated by other institutions as a value-based MSME strengthening strategy. Nevertheless, this study is limited to a single location and a qualitative approach, and thus has not measured economic impact quantitatively or over the long term. Therefore, future research is recommended to employ a mixed methods approach, expand the study area, and conduct longitudinal investigations to assess sustainability and economic impact more comprehensively.

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