

Empowering Youth Through Entrepreneurship in a Zakat-Waqf-Based Economy: An International Community Engagement Program

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ABSTRACT

Purpose: This international community service program, entitled “From Poverty to Peace: The Role of Youth Entrepreneurship in the Zakat-Waqf-Based Economy,” was designed to enhance participants’ understanding of youth entrepreneurship and the strategic role of zakat and waqf in socio-economic development, in response to the limited awareness among young people of the productive use of these Islamic social finance instruments. The program was carried out through seminars, interactive discussions, and entrepreneurship training in collaboration with the Overseas Representative Council of the Indonesian Migrant Workers Union (DPLN SBMI) Malaysia.

Method: This program involved 12 participants from the Indonesian community and migrant-worker network in Kuala Lumpur, Malaysia, coordinated through the Overseas Representative Council of the Indonesian Migrant Workers Union (DPLN SBMI) Malaysia. The program used a qualitative descriptive approach; data were collected through direct observation during training sessions, participant feedback, and an assessment of the Business Model Canvas (BMC) forms completed by participants, and were analyzed thematically following Miles, Huberman, and Saldaña (2014).

Results and Conclusion: The results indicate that the program improved participants’ knowledge of Islamic social finance, strengthened their entrepreneurial awareness, and encouraged the development of socially oriented business ideas grounded in Islamic values. Participants were able to apply the Business Model Canvas framework to their own business ideas and showed increased awareness of the role of digital platforms in expanding market reach. The program also contributed to greater awareness of sustainable economic empowerment and social responsibility among participants. Therefore, integrating youth entrepreneurship education with zakat-waqf-based economic principles can serve as an effective strategy for fostering socially responsible and economically productive future generations.

Keywords: Youth Entrepreneurship; Zakat; Waqf; Islamic Social Finance; Economic Empowerment; Social Entrepreneurship.

INTRODUCTION

The rapid evolution of the global economy has created increasing demands for young people to possess not only academic and religious knowledge but also entrepreneurial competencies that enable them to contribute meaningfully to society. In many Muslim communities, educational institutions play a crucial role in preparing future generations to address socio-economic challenges through innovation, leadership, and ethical economic participation. Consequently, the development of entrepreneurial awareness among youth has become an important component of sustainable community development.

Within the framework of Islamic economics, social and economic development is closely linked to the principles of justice, welfare, and shared prosperity. Islamic social finance instruments such as zakat and

waqf have historically contributed to the advancement of education, healthcare, poverty alleviation, and community development across the Muslim world (Kahf, 2003). Beyond their traditional charitable functions, contemporary scholars have emphasized the potential of zakat and waqf to support productive economic activities, entrepreneurship, and sustainable development initiatives (Ismail Abdel Mohsin, 2019).

Despite this significant potential, awareness among young people regarding the productive application of zakat and waqf remains relatively limited. Many students are familiar with the religious obligations associated with these instruments but have little exposure to their strategic role in economic empowerment, social entrepreneurship, and community resilience. As a result, opportunities to integrate Islamic social finance with youth-led entrepreneurial initiatives are often underutilized (Ascarya et al., 2022).

At the same time, young people represent a valuable source of creativity, innovation, and social transformation. Entrepreneurship provides an avenue through which youth can create economic value, generate employment opportunities, and address social challenges within their communities. According to Zimmerer et al. (2020), entrepreneurship contributes not only to economic growth but also to the development of leadership, problem-solving abilities, and innovation. In the Islamic context, entrepreneurial activities are expected to be guided by ethical values, social responsibility, and the pursuit of collective welfare rather than individual profit alone.

Recognizing these opportunities, strengthening entrepreneurial capacity among students through a zakat-waqf-based economic perspective becomes increasingly relevant. By introducing young people to the principles of Islamic social finance and socially responsible entrepreneurship, educational institutions can help cultivate future leaders who are capable of contributing to both economic development and social harmony. Such an approach supports the broader objective of transforming economic empowerment into a pathway toward social inclusion, community resilience, and sustainable peace.

Therefore, the international community service program entitled “From Poverty to Peace: The Role of Youth Entrepreneurship in the Zakat-Waqf-Based Economy” was designed to enhance participants’ understanding of youth entrepreneurship, Islamic social finance, and sustainable economic development. Through educational activities and knowledge-sharing sessions, the program sought to encourage youth participation in creating innovative, ethical, and socially impactful economic initiatives that contribute to the well-being of society.

Identified Problems

The contemporary economic environment requires young people to possess a combination of religious integrity, entrepreneurial competence, and financial literacy. While Islamic educational institutions play a significant role in developing students’ spiritual and moral foundations, many students have limited exposure to entrepreneurial education and practical economic skills that can support their future careers and social contributions.

Preliminary observations and discussions with participants indicated that opportunities to explore entrepreneurship and Islamic economic practices remain relatively limited. Although participants are familiar with the religious significance of zakat and waqf, their understanding of these instruments as tools for economic empowerment, social entrepreneurship, and sustainable development is still developing. Knowledge regarding Islamic social finance also remains largely conceptual: zakat and waqf tend to be understood mainly as charitable obligations and acts of worship, with limited exposure to contemporary applications such as productive waqf, social enterprises, entrepreneurial financing, and community-based economic development programs (Ismail Abdel Mohsin, 2019).

Based on these findings, several key issues were identified: (1) limited entrepreneurial knowledge and practical business exposure among participants; (2) insufficient understanding of productive zakat and waqf as instruments of Islamic social finance; (3) limited integration of entrepreneurial education within the context of Islamic learning; and (4) the need to strengthen awareness of socially responsible entrepreneurship as a tool for sustainable community development.

Proposed Solutions

To address these challenges, the program adopted an educational and empowerment-oriented approach that integrates youth entrepreneurship with Islamic social finance principles, aiming not only to increase knowledge but also to encourage participants to see themselves as economically productive and socially responsible future leaders.

The first solution was to enhance entrepreneurial awareness through seminars and interactive learning activities covering opportunity recognition, innovation, business planning, and leadership development, so as to cultivate an entrepreneurial mindset geared toward positive social and economic impact (Zimmerer et al., 2020). The second solution focused on improving literacy regarding Islamic social finance, particularly the strategic functions of zakat and waqf, by introducing participants to contemporary models of productive zakat and waqf in education, social enterprises, and community empowerment (Kahf, 2003).

The third solution promoted the integration of Islamic values and entrepreneurial practice through discussions on *maqasid al-shari'ah* and Islamic business ethics, encouraging participants to view entrepreneurship as a means of serving society and strengthening social solidarity (Chapra, 2008). The fourth solution emphasized the development of socially oriented business ideas that combine entrepreneurship with community service, social impact, and ethical business practice, in order to cultivate future Muslim entrepreneurs capable of balancing economic success with social responsibility.

RESEARCH METHOD

This community service program used a qualitative descriptive approach, implemented through a systematic, multi-stage process to ensure effectiveness, accountability, and sustainability. The program was conducted in collaboration with the Overseas Representative Council of the Indonesian Migrant Workers Union (Dewan Perwakilan Luar Negeri Serikat Buruh Migran Indonesia/DPLN SBMI) Malaysia, and involved members of the Indonesian migrant worker community in Malaysia as participants.

Stage 1: Preparation and Coordination

The implementation of the program commenced with a preliminary assessment and coordination phase involving representatives of the partner institution in Malaysia. This stage aimed to identify educational needs, institutional expectations, and participant characteristics relevant to the program objectives. Initial communication and consultation sessions were conducted to discuss the scope of activities, participant profiles, the implementation schedule, and technical requirements for program delivery.

A needs assessment was also undertaken to better understand participants' existing knowledge of entrepreneurship, Islamic social finance, and sustainable economic development. This enabled the program team to align the educational content with participants' specific learning needs and ensure that the activities would provide practical and relevant benefit. Effective coordination during this phase was essential to establish mutual understanding, strengthen institutional collaboration, and facilitate smooth program implementation (Yin, 2018).

Participants and Sampling

The program involved a total of 12 registered participants, identified through the official attendance register maintained by the community service team during the Kuala Lumpur session. Participants were recruited on a voluntary basis through the community network of the Overseas Representative Council of the Indonesian Migrant Workers Union (DPLN SBMI) Malaysia; the only participation criterion applied was self-identified interest in entrepreneurship and Islamic social finance, and no prior business experience was required.

Table 1 summarizes participants' institutional and community affiliation as recorded in the attendance register. Based on the register and the program's activity documentation, all 12 participants who attended were women drawn from the Indonesian community and migrant-worker network in Kuala Lumpur,

Malaysia.

Table 1. Institutional/Community Affiliation of Program Participants (N = 12)

Institutional / Community Affiliation	Number of Participants (n)
Indonesian community / migrant-worker network members, Malaysia (general)	8
Local Islamic study group – Pengajian Ummahatul Muslimah, Kuala Lumpur	1
International Islamic University Malaysia (IIUM)	3
Total	12

Detailed individual-level demographic data — including participants' exact age and formal educational attainment — were not captured through a standardized intake instrument during this program cycle. This constraint, together with the absence of a formal pre-test/post-test instrument and structured follow-up assessment, is acknowledged explicitly in the Limitations of the Study presented after the Results and Discussion section, together with concrete recommendations for future program cycles.

Stage 2: Program Design and Content Finalisation

Following the initial assessment, the program team designed a comprehensive educational framework focusing on youth entrepreneurship and the role of zakat and waqf in sustainable socio-economic development, integrating concepts from entrepreneurship studies, Islamic economics, Islamic social finance, and community empowerment.

The program materials introduced participants to fundamental entrepreneurial concepts, opportunity recognition, innovation, ethical business practice, and leadership development, alongside modules explaining the socio-economic functions of zakat and waqf, including contemporary applications of productive waqf, social entrepreneurship, and community-based economic empowerment. To maximize engagement, the program incorporated case studies, group discussions, question-and-answer sessions, and reflective exercises designed to encourage critical thinking and the practical application of knowledge (Ismail Abdel Mohsin, 2019).

Stage 3: Implementation of the Activity

The program was implemented through seminars, interactive discussions, knowledge-sharing sessions, and question-and-answer activities involving members of the Indonesian migrant worker community in Malaysia. The materials delivered covered the importance of entrepreneurship as a means of achieving economic independence, the development of community-based businesses, and the role of productive zakat and waqf in supporting inclusive and sustainable economic development.

Monitoring and evaluation activities were then conducted to assess the effectiveness of the program, focusing on participants' understanding of entrepreneurship concepts, their ability to develop business models using the Business Model Canvas (BMC), and the potential sustainability of the business ideas generated. The monitoring process combined direct observation during training sessions, discussions with participants, and an assessment of the completed BMC forms, evaluating participants' ability to identify the nine essential BMC components: Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure.

Data Analysis

The qualitative data generated during the program — comprising field observation notes, written and verbal participant feedback, and the completed Business Model Canvas (BMC) forms — were analyzed following

the interactive qualitative analysis framework of Miles, Huberman, and Saldaña (2014), consisting of three concurrent stages: data condensation, data display, and conclusion drawing/verification. During data condensation, observation notes and feedback were read repeatedly and organized into descriptive codes; codes with similar meaning were then grouped inductively into broader thematic categories, namely (1) understanding of entrepreneurship and business-opportunity recognition, (2) literacy in Islamic social finance (zakat and waqf), (3) capability to construct a Business Model Canvas, and (4) practical challenges in business planning and management. The BMC forms were reviewed against the nine standard BMC components (Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure) to identify patterns of strength and difficulty across participants. The resulting themes were displayed narratively and cross-checked across the observation notes, feedback, and BMC forms (source triangulation) to strengthen the credibility of the findings, consistent with the qualitative validity procedures recommended by Creswell (2014) and Moleong (2017).

RESULTS AND DISCUSSION

Implementation of the Youth Entrepreneurship and Zakat-Waqf Program

Throughout the program, participants demonstrated a high level of enthusiasm, actively engaging in discussions and sharing their experiences regarding the economic challenges faced by migrant workers.



Figure 1. Remarks from the Community Service Team, Nurul Hilmiyah, Ph.D.

The results indicate an improvement in participants' understanding of entrepreneurship and business development opportunities as alternative sources of long-term income. Participants gained new insight into entrepreneurship, recognizing that it is not merely profit-oriented but can also serve as a tool for community empowerment and social value creation. Participants' understanding of zakat and waqf also improved significantly: whereas most participants had previously viewed zakat and waqf primarily as religious obligations and charitable activities, they subsequently developed a broader understanding of the potential of productive zakat and waqf as instruments for economic empowerment capable of supporting micro-enterprises and community economic development.



Figure 2. Presentation of Material by Mrs. Nurul Hilmiyah, Ph.D.



Figure 3. Question-and-Answer Session

The program also strengthened participants' awareness of social entrepreneurship, which integrates both economic and social objectives. Through discussion and practical examples, participants learned that business activities can generate broader social benefits, such as creating employment opportunities, improving the welfare of migrant families, and contributing to economic development in their home regions. Participants were also inspired to explore various community-based business ideas, including creative industries, handicraft products, halal food businesses, and digital-based enterprises with strong potential for sustainable growth.



Figure 4. Group Photo Session

Overall, the program demonstrated that strengthening entrepreneurial capacity together with a deeper understanding of productive zakat and waqf can serve as an effective strategy for enhancing the economic independence of migrant communities, consistent with the objectives of Islamic economics, which emphasize justice, welfare, and social benefit. The program also strengthened international collaboration between the Faculty of Economics and Business, Universitas Pancasila, and DPLN SBMI Malaysia in the areas of economic empowerment, community engagement, and sustainable development.

Monitoring and Evaluation of Business Model Development

Based on the submitted Business Model Canvas (BMC) forms, participants demonstrated a satisfactory understanding of entrepreneurial planning and business model development. Two representative business concepts were identified during the evaluation process: Mentari Dessert and Mansyur Toko (a grocery store). The Mentari Dessert business model targets university students, office workers, young adults, and social media users, offering affordable dessert products in a comfortable and aesthetically appealing environment equipped with free Wi-Fi and friendly customer service.

The participant identified various marketing and distribution channels, including Instagram, TikTok, WhatsApp, and online food delivery platforms, with revenue projected from product sales, bundled menu packages, and venue rental for small events — reflecting an understanding of market segmentation, digital marketing, and revenue diversification.

The Mansyur Toko business model focuses on serving households, students, small traders, and local community members, emphasizing the availability of essential daily necessities at affordable prices supported by fast and friendly service, with additional value created through discounted pricing for bulk purchases.

This model reflects an understanding of local market needs and the importance of customer-oriented service, as well as the significance of maintaining product availability and building customer trust for long-term sustainability. Mentari Dessert and Mansyur Toko are presented above as two illustrative cases selected from among the 1BMC forms submitted. Table 2 summarizes the recurring patterns of strength and gap observed across all submitted forms, aggregated across the nine standard BMC components, based on the thematic coding described in the Data Analysis section.

Table 2. Synthesis of Business Model Canvas Outcomes Across All Participants (N = 12)

BMC Component	Common Pattern Across the 12 Participants
Customer Segments	Most participants clearly defined a target market (e.g., students, office workers, households, local traders).
Value Propositions	Most participants articulated a clear, affordability- or convenience-oriented value proposition.
Channels	Majority identified digital/social-media channels (Instagram, TikTok, WhatsApp) alongside direct/offline channels.
Customer Relationships	The least explicitly elaborated component; most participants referred only briefly to friendly or personalized service rather than a distinct relationship-building strategy — an area recommended for stronger emphasis in future training.
Revenue Streams	Most participants identified at least one primary revenue stream (product sales); fewer identified diversified streams such as bundling or venue/asset rental.
Key Resources	Referenced inconsistently across forms, typically limited to physical/operational assets, with limited attention to human or digital resources — an area needing reinforcement.
Key Activities	Generally described in relation to day-to-day operations, but with limited strategic detail.
Key Partnerships	An underdeveloped component overall; several participants had difficulty specifying potential partners or collaborators.
Cost Structure	A common area of difficulty; several participants had difficulty estimating operating costs and projecting revenue accurately.

Component-level patterns for Customer Relationships, Key Resources, and Key Activities were coded from the available observation notes and BMC forms but were not discussed as consistently by participants as the other six components; this is noted as a limitation of the present monitoring instrument in the Limitations of the Study section below.

Most participants successfully identified their target markets, formulated value propositions, selected appropriate marketing channels, and outlined potential revenue sources, and showed increased awareness of the role of digital platforms in promoting products and expanding market reach. Nevertheless, several challenges were identified: some participants experienced difficulty estimating operational costs and projecting future revenues accurately, the concepts of strategic partnerships and long-term business development require further strengthening, and limited experience in financial recordkeeping and formal business management was observed among several participants.

Overall, the program achieved its primary objectives by enhancing participants' entrepreneurial knowledge and practical business planning skills. The completed BMC forms demonstrate that participants were able to transform business ideas into structured and feasible business models.

These findings suggest that entrepreneurship training integrated with the principles of a zakat-waqf-based economy has the potential to empower Indonesian migrant workers and their communities by fostering sustainable income-generating activities.

To ensure the sustainability of these outcomes, follow-up activities are recommended, including advanced training in financial management, digital marketing, business development, and access to Islamic social finance instruments such as productive zakat and waqf, together with continuous mentoring and periodic monitoring to support participants in implementing and expanding their business ventures.

CONCLUSION

The international community service program successfully enhanced participants' knowledge and awareness regarding the strategic role of zakat and waqf as instruments of Islamic social finance for economic empowerment. The activities conducted throughout the program fostered a stronger entrepreneurial mindset among participants and encouraged them to explore innovative business opportunities aligned with Islamic economic values and social responsibility.

The findings indicate that integrating youth entrepreneurship with productive zakat and waqf initiatives offers significant potential to promote sustainable economic development, strengthen economic self-reliance, improve community well-being, reduce socio-economic disparities, and foster greater social cohesion within society.

Based on these outcomes, several recommendations can be proposed: (1) social community should expand partnerships with organizations involved in Islamic social finance, including zakat and waqf institutions, to develop more comprehensive and sustainable youth entrepreneurship initiatives; (2) ongoing capacity-building activities, including entrepreneurship training, coaching, and mentoring programs, should be provided to support the long-term development of youth-led business ventures; (3) the adoption of digital technologies and online platforms should be enhanced to increase the accessibility, efficiency, and impact of zakat- and waqf-based entrepreneurship programs, particularly among younger generations and broader community groups; and (4) future community engagement programs should emphasize practical business development and social entrepreneurship projects that enable participants to apply the knowledge gained and generate tangible socio-economic benefits for their communities.

LIMITATIONS OF THE STUDY

This program was designed and reported as a qualitative descriptive community engagement activity, and several methodological limitations should be acknowledged. First, participant profiling relied on the official attendance register and activity documentation rather than a standardized demographic instrument; consequently, individual-level data on participants' age and formal educational background were not systematically collected (see Participants and Sampling). Second, the program did not employ a formal pre-test and post-test instrument to measure change in entrepreneurial knowledge, Islamic social-finance literacy, or entrepreneurial intention; the improvements reported in this article are therefore based on qualitative observation and participant feedback rather than validated quantitative measurement. Third, no structured follow-up assessment was conducted at 3, 6, or 12 months after the program to verify whether participants subsequently established businesses, obtained financing, generated income, or created employment; the sustainability outcomes discussed above remain a recommendation rather than a documented result. Fourth, the evaluation of the Business Model Canvas (BMC) forms was conducted through qualitative thematic review rather than a standardized scoring rubric applied uniformly to all 12 submissions, and two cases were presented in depth as illustrative examples rather than as a fully disaggregated quantitative summary of every participant.

These limitations point to concrete directions for strengthening future cycles of this community engagement program. It is recommended that future implementations: (1) administer a structured intake form capturing participants' age, gender, educational background, and migrant-worker or occupational status; (2) apply a validated pre-test and post-test questionnaire measuring entrepreneurial knowledge, Islamic social-finance literacy, and entrepreneurial intention, with results reported in tabular or graphical form; (3) establish a follow-up monitoring schedule at 3, 6, and 12 months post-program to track business establishment, access to financing, income generation, and employment creation among participants; and (4) apply a standardized BMC scoring rubric across all nine components to every participant's submission, enabling quantitative as well as qualitative reporting of business-model readiness across the full cohort. Adopting these measures would allow subsequent cycles of this program to complement the present qualitative findings with quantitative evidence of program impact.

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