

Value - Based Economic Resilience: A Phenomenological Study Of Msmes' Survival Strategies Through Islamic Philanthropy Practices

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Abstract

This study aims to examine value-based economic resilience among Micro, Small, and Medium Enterprises (MSMEs) through the implementation of Islamic philanthropic practices. Using a qualitative approach with a phenomenological method, the research explores the lived experiences of MSME owners in making sense of zakat, infaq, alms, and various other forms of Islamic philanthropy as strategies to maintain business sustainability amidst various economic challenges. Informants were selected purposively, consisting of MSME owners who continuously practice Islamic philanthropy and have experienced economic pressure. The findings reveal that Islamic philanthropic practices are not perceived as a reduction in assets or business capital, but rather as a form of spiritual investment believed to bring blessings (barakah), peace of mind (tuma'ninah), and enhanced optimism in managing the business. Furthermore, these practices play a role in strengthening social capital by increasing customer trust, employee loyalty, and community support for business continuity. This study also develops the concept of Value-Based Economic Resilience, defined as economic resilience built through the synergy of economic, social, and spiritual capital. These findings contribute to the development of Islamic economics literature by emphasizing that Islamic philanthropy functions not only as a mechanism for wealth distribution, but also as an effective internal strategy to enhance the economic resilience of MSMEs.

Keywords: economic resilience; MSMEs; Islamic philanthropy; phenomenology; spiritual capital.

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INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play a vital role in the Indonesian economy, contributing more than 60% to the national Gross Domestic Product (GDP), absorbing approximately 97% of the total workforce, and serving as a key driver in equitable distribution of economic prosperity. Therefore, the sustainability and resilience of the MSME sector are strategic aspects in maintaining national economic stability, particularly when facing economic crises, pandemics, and global economic dynamics. In line with this, the Indonesian government continues to develop various MSME empowerment policies and programs as part of efforts to strengthen national economic resilience (Coordinating Ministry for Economic Affairs of the Republic of Indonesia, 2025).

Amidst various economic dynamics and challenges, the concept of economic resilience continues to evolve in academic studies. Economic resilience is no longer defined solely as a business's ability to maintain business continuity through cost efficiency, product diversification, or marketing innovation. Furthermore, this concept also encompasses social, cultural, and spiritual aspects that influence economic decision-making. In the context of Indonesia's highly religious society, religious values are a crucial foundation for building business resilience, particularly for MSMEs, whose economic activities are heavily influenced by interactions and social relationships within their communities.

From an Islamic economic perspective, business resilience is understood through a more comprehensive approach. Economic success is not solely determined by capital size, managerial ability, or market access, but is also influenced by the application of ethical and spiritual values in every economic activity. One concrete implementation of these values is the practice of Islamic philanthropy, which includes zakat, infaq, sedekah, and waqf (ZISWAF). From an Islamic economic perspective, philanthropy serves not only as an instrument for equitable distribution of wealth but also as a means of strengthening social solidarity, improving community welfare, and encouraging economic empowerment of the community (Chapra, 1992).

Previous studies have primarily examined Islamic philanthropy from a macro perspective, such as the effectiveness of management in poverty alleviation, the contribution of productive waqf to economic development, and the influence of alms on the welfare of those entitled to receive it (Iskandar et al., 2021). Other research highlights how productive waqf can increase the capacity of beneficiaries through the empowerment of micro-enterprises (Rohim, 2021). However, relatively little research

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has explored how new Islamic philanthropic practices are also implemented by MSMEs as an internal strategy to maintain the sustainability of their businesses when handling economic zakat.

The reality on the ground shows that many Micro, Small, and Medium Enterprises (MSMEs) continue to allocate a portion of their business income to pay zakat, give alms, help the local community, support mosque activities, and participate in various social activities, even though their businesses are facing a downturn. From a conventional economic perspective, this behavior can be considered inconsistent with the principle of profit maximization. However, for Muslim MSMEs, this action is understood as a form of spiritual endeavor believed to bring blessings (barakah), expand social relations, increase customer trust, and foster optimism in maintaining and developing their businesses. These dimensions have not been adequately explained from a conventional economic perspective.

In this context, a phenomenological approach is the right choice for examining the lived experiences of MSMEs in interpreting Islamic philanthropic practices as part of a strategy to maintain business continuity. Through this approach, researchers can explore the subjective meanings underlying economic decisions that cannot be fully understood through quantitative measures. By examining the experiences, beliefs, and ways in which business actors interpret Islamic philanthropic practices, this research is expected to explain how religious values develop into social and spiritual capital that contribute to strengthening the economic resilience of MSMEs (Moustakas, 1994).

This research helps address two key research gaps. First, most studies on MSME resilience focus primarily on economic factors, technology utilization, innovation, and organizational capacity, while the role of religious values as a key factor in business resilience remains understudied. Second, research on Islamic philanthropy generally positions MSMEs as beneficiaries of various empowerment programs, rather than as subjects who consciously and actively implement philanthropic practices as a strategy to maintain business continuity. Based on these findings, this research offers a new perspective on the concept of values-based economic resilience, built through the application of Islamic philanthropic practices.

Based on this background, this study aims to examine the lived experiences of MSMEs in understanding and implementing Islamic philanthropic practices as a strategy to address various economic challenges. The results are expected to contribute to the development of Islamic economic theory, particularly in explaining the relationship between spiritual capital, Islamic philanthropic practices, and economic resilience.

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Furthermore, the findings are expected to inform the formulation of MSME empowerment policies based on Islamic values.

LITERATURE REVIEW

The Concept of Economic Resilience

Economic resilience can be understood as the capacity of individuals, households, organizations, and businesses to face, adapt to, and recover from various pressures, crises, or changes in environmental conditions that are dynamic and uncertain. In the context of Micro, Small, and Medium Enterprises (MSMEs), the concept of resilience is not only reflected in the ability to maintain profitability or maintain business operational continuity, but also in the ability of business actors to adapt business strategies according to market dynamics, strengthen social networks, and optimize the use of available resources. Various recent studies have shown that MSME resilience is the result of the interaction between economic, social, psychological, and spiritual factors. Therefore, a multidimensional approach is needed to gain a more comprehensive understanding of business resilience (Gusniarti, 2025).

From an Islamic economic perspective, resilience is not merely understood as the ability to adapt to various economic changes and challenges, but also as a manifestation of the application of the values of monotheism, trust (relief), patience, gratitude, and ikhtiar (effort) in every economic activity. These values foster the belief that every economic hardship is a test that must be faced through optimal effort, accompanied by complete dependence and trust in Allah SWT. Thus, the concept of resilience in Islamic economics encompasses not only material aspects but also integrates spiritual dimensions that support and strengthen each other in building economic resilience (Gusniarti, 2025).

Islamic Philanthropy as Social and Spiritual Capital

Islamic philanthropy is a form of social concern implemented based on sharia principles through various instruments, such as zakat (alms), infaq (donations), sedekah (charity), and waqf (endowments) (ZISWAF). This practice not only aims to distribute aid to those in need but also aims to achieve social justice, strengthen community solidarity, and promote sustainable economic development.

Various recent studies show that the practice of Islamic philanthropy has evolved from a charitable approach to a model more oriented toward economic empowerment. The utilization of zakat, infaq, alms, and productive waqf funds is now increasingly

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directed toward improving community business capacity through the provision of productive financing, mentoring for entrepreneurs, and developing the quality of human resources. This paradigm shift confirms that Islamic philanthropy functions not only as a social assistance mechanism but also plays a strategic role in strengthening community economic resilience and supporting sustainable development (Afandi, 2021).

In addition to its economic impact, Islamic philanthropic practices also contribute to the formation of social capital. Businesses that consistently engage in various social activities generally gain higher levels of public trust, expand their business networks, increase customer loyalty, and build a positive image in their surrounding communities. These various benefits are valuable resources for maintaining business continuity, especially when facing economic pressure or uncertainty.

In addition to strengthening social capital, Islamic philanthropy also plays a role in developing spiritual capital, which includes belief in the blessings (barakah) of business, fostering gratitude, increasing optimism, and fostering inner peace in economic activities. The existence of this spiritual capital is one of the characteristics that distinguishes the Islamic economic perspective from conventional economic approaches in explaining the behavior and decision-making of business actors.

Value-based MSME survival strategies

Studies on MSME sustainability strategies have generally focused on various aspects, such as product innovation, business digitalization, operational efficiency, business diversification, and digital-based marketing optimization. These strategies have been proven to contribute to improving MSMEs' ability to adapt and sustain their businesses amidst increasingly complex and dynamic business environments. However, several recent studies indicate that an approach solely focused on economic aspects does not fully explain why some MSMEs remain highly resilient in the face of prolonged economic crises (Emiliani et al., 2021).

For Muslim entrepreneurs, efforts to maintain business continuity are not only based on rational and economic considerations, but also shaped by the internalization of Islamic values. Consistent almsgiving, paying zakat (alms), providing assistance to the surrounding community, and participating in various social activities are seen as forms of spiritual investment believed to bring blessings (barakah) to the business. These values then influence how entrepreneurs make decisions, build harmonious relationships with customers, and address various business risks and challenges.



Several recent studies on Muslim women entrepreneurs in Indonesia show that values such as *ṣabr* (patience), *tawakkul* (surrender to Allah SWT after making efforts), *amanah* (trustworthiness), and social solidarity are crucial foundations for building business resilience after the pandemic. These findings indicate that the spiritual dimension plays a significant role in enhancing the adaptability of MSMEs to various economic changes and dynamics.

Phenomenological Approach in the Study of MSME Resilience

Phenomenology is an approach to qualitative research that aims to understand the meaning of an individual's lived experience of a particular phenomenon. Unlike research that focuses on examining relationships between variables, this approach focuses on exploring how individuals interpret the experiences, beliefs, and actions they undergo in their daily lives.

In this study, a phenomenological approach was chosen because it was deemed capable of uncovering the subjective experiences of Micro, Small, and Medium Enterprises (MSMEs) in implementing Islamic philanthropy practices as a strategy for maintaining business sustainability. Through in-depth interviews, researchers were able to explore how business actors interpret zakat, almsgiving, and various other forms of social activity as sources of psychological, spiritual, and economic strength in facing various business challenges.

Furthermore, the phenomenological approach provides space for the development of a new concept regarding value-based economic resilience, namely economic resilience that relies not only on financial and human capital but also through the internalization of religious values embodied in the practice of Islamic philanthropy. Therefore, this research is expected to provide theoretical contributions to the development of Islamic economic studies while enriching understanding of the various factors influencing MSME resilience.

RESEARCH METHODS

Types and Approaches of Research

This research employs a qualitative approach using phenomenology. This approach was chosen because it focuses on understanding the lived experiences of Micro, Small, and Medium Enterprises (MSMEs) in implementing Islamic philanthropy practices as a strategy to maintain business sustainability. Phenomenological research focuses not only on describing a phenomenon but also on uncovering subjective

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meanings formed from individuals' experiences, beliefs, and interpretations of their reality (Creswell & Poth, 2024).

This approach is deemed appropriate because values-based economic resilience is a phenomenon that cannot be understood solely through economic measures. Economic resilience is also influenced by various other dimensions, such as spiritual, social, and cultural aspects that are part of the lives of business actors. Thus, the phenomenological method provides an opportunity to explore how MSMEs interpret the practices of zakat, infaq, sedekah, and various other forms of Islamic philanthropy as strategies for navigating uncertainty and various economic challenges.

Research Location

The research was conducted on MSMEs in North Aceh Regency, Aceh Province. The location was selected purposively, considering that Aceh is a region that implements Islamic law, making Islamic philanthropy practices a relatively integral part of community life and economic activity. Furthermore, MSMEs in the region have diverse business characteristics, encompassing trade, culinary, services, crafts, and home industries, providing a rich variety of experiences for phenomenological study.

RESULTS AND DISCUSSION

Economic Resilience of MSMEs through Islamic Philanthropy Practices: Phenomenological Findings

Micro, Small, and Medium Enterprises (MSMEs) are not solely supported by the implementation of conventional business strategies, such as cost efficiency, product diversification, and digital marketing. In-depth interviews with informants revealed that Islamic philanthropic practices are a crucial element in maintaining business sustainability. The informants' experiences demonstrate that religious values are not viewed as separate from economic activities but rather serve as a primary basis for business decision-making, particularly when facing various crises.

Through the phenomenological analysis process, four main themes were obtained that describe the experiences of MSME actors in building value-based economic resilience, namely (1) crisis as a spiritual and economic test, (2) Islamic philanthropy as an adaptation strategy, (3) the formation of social capital through philanthropic practices, and (4) blessings as the main meaning of economic resilience.



1. The Economic Crisis Is Interpreted as a Test that Strengthens Business Resilience

The first theme shows that MSMEs view the crisis not only as an economic issue but also as a test of their faith. Interviews revealed that during the pandemic and rising raw material prices, their business revenues experienced a significant decline, even reaching around 60 percent. This situation prompted them to make various adjustments, such as streamlining operational costs, controlling expenses, and utilizing digital marketing to maintain business continuity. However, the informants emphasized that this situation was not an excuse to ignore the religious values that have long been guiding their business activities.

As stated by one informant:

"During the pandemic, our turnover plummeted by almost 60%. Raw material prices continued to rise, and customers were scarce. We even struggled to decide whether to reduce our staff or close temporarily. Those were the most challenging times for us."

Another informant stated:

"During the pandemic, my stall nearly closed. Normally, I could sell 150 portions a day, but now I'm down to about 40 to 50. I considered quitting because my capital was running out."

These statements demonstrate that economic resilience stems from the ability of business actors to accept crisis as a reality that must be faced through a combination of economic endeavor and spiritual fortitude. From a phenomenological perspective, these experiences indicate that the meaning of crisis is shaped not only by the financial circumstances faced, but also by religious beliefs, which serve as the foundation for responding to each challenge.

This finding is in line with Gusniarti's (2025) research which explains that Muslim business actors tend to develop faith-based resilience, namely the ability to survive based on faith values, such as *şabr* (patience), *tawakal* (trust), and belief in the help of Allah SWT when facing various forms of economic uncertainty (Gusniarti, 2025).



2. Islamic Philanthropy as an Economic Adaptation Strategy

The second theme shows that MSMEs understand Islamic philanthropy practices not as an additional financial burden, but as a strategy for adapting to economic pressures. Despite declining business revenues, informants remain committed to setting aside a portion of their profits to pay zakat (alms), donate alms (donation), and regularly give alms.

The informant said: "If your fortune is stagnant, knock more often on heaven's door. Instead, I routinely give dawn alms and set aside 2.5% of my net profits for business zakat."

These findings demonstrate a fundamental difference from conventional economic approaches, which generally recommend reducing all expenses beyond basic needs when a business experiences a crisis. Conversely, from an Islamic economic perspective, almsgiving is viewed as a form of spiritual investment believed to bring blessings, open up opportunities for sustenance, and strengthen business sustainability.

From a phenomenological perspective, the practice of charity is not only interpreted as a mechanism for distributing wealth to those in need, but also as a means to foster optimism, achieve inner peace (tuma'ninah), and strengthen confidence in business sustainability. This understanding forms psychological capital that plays a crucial role in enhancing entrepreneurs' ability to survive amidst economic pressures.

The results of this study align with the findings of Iskandar et al. (2021), who stated that Islamic philanthropy has a dual role: as an instrument for redistributing welfare and as a means of strengthening the economic capacity of society through the formation of social and spiritual capital (Iskandar et al., 2021).

3. Islamic Philanthropy Generates Social Capital That Strengthens Resilience

The third theme reveals that Islamic philanthropic practices not only impact the spiritual dimension but also generate tangible benefits in the social sphere. Based on the informants' experiences, the habit of continuous sharing can increase customer trust, strengthen employee loyalty, and encourage community support for the sustainability of their businesses.

As the informant stated: "The community feels ownership of this business. When our shop is quiet, local residents often help promote it through word of mouth. A network of relationships and trust grows naturally."

This statement demonstrates that Islamic philanthropic practices contribute to the formation of social capital, reflected in increased trust, the development of social

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networks, and the growth of norms of reciprocity. This social capital is a valuable asset for MSMEs, especially when they face declining market demand or limited financial resources.

From an Islamic economic perspective, a harmonious relationship between businesses and the community is an indicator of business sustainability, built on the values of brotherhood, trust, and social concern. Therefore, Islamic philanthropic practices not only benefit recipients but also strengthen business resilience by increasing trust and social legitimacy within the community.

The findings of this study align with those of Rusydiana et al. (2021), which showed that Islamic social finance instruments play a role in strengthening community economic resilience by increasing social cohesion, solidarity, and public trust (Rusydiana et al., 2021).

4. Blessings as a Key Dimension of Value-Based Economic Resilience

The fourth theme reveals that MSMEs' understanding of economic resilience differs from the concept developed in conventional economics. Informants do not use profit or asset accumulation as the sole measure of business success. Instead, success is viewed through the achievement of blessings (barakah), the creation of peace in family life, and the business's ability to benefit the community.

This is illustrated in the following statement: "A resilient business is a business that remains brave enough to share even when times are tight, which brings peace to the family, and provides benefits to many people."

This statement demonstrates that values-based economic resilience encompasses a broader concept than the concept of resilience from a conventional economic perspective. Business resilience is understood as the result of a balanced combination of adaptability to economic change, spiritual strength, and social responsibility.

From a phenomenological perspective, blessing (barakah) is the essence of experience that underlies how informants interpret every economic decision. For MSMEs, business success is defined not only as the ability to maintain business continuity, but also as the ability to consistently practice Islamic values in all business activities.

Based on these findings, this study formulates a conceptual proposition that Islamic philanthropic practices build economic resilience through three main mechanisms, namely: (1) strengthening spiritual capital reflected in attitudes of trust,

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optimism, and inner peace; (2) forming social capital through the growth of trust, loyalty, and community networks; and (3) increasing economic adaptability by strengthening business motivation and an orientation towards blessings.

Building on these findings, this study introduces the concept of Value-Based Economic Resilience, a form of economic resilience that relies not only on financial capital and managerial capacity but also on the internalization of Islamic values consistently embodied in philanthropic practices. This concept represents a novel research contribution because it demonstrates that Islamic philanthropy functions not merely as an instrument for distributing welfare but also as an internal strategy that strengthens the resilience and sustainability of MSMEs in the face of various forms of economic uncertainty.

CONCLUSION

This study shows that the economic resilience of Micro, Small, and Medium Enterprises (MSMEs) is not solely influenced by their ability to manage and develop their businesses, but also by the implementation of Islamic values through philanthropic practices, such as zakat, waqf, infaq, and sedekah (ZISWAF). For informants, philanthropic practices are not perceived as reducing business capital, but rather as a form of spiritual investment believed to bring inner peace, blessings (barakah), and strengthen enthusiasm and motivation in facing various business challenges.

In addition to strengthening spiritual aspects, Islamic philanthropic practices also contribute to building social capital by increasing customer trust, employee loyalty, and community support for business sustainability. Based on these findings, this study introduces the concept of Value-Based Economic Resilience, namely economic resilience formed through the integration of economic, social, and spiritual capital. Therefore, MSME empowerment efforts should not only focus on strengthening the economic aspect but also need to be directed at internalizing the values of Islamic philanthropy as part of a sustainable business development strategy.

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