The Origin and Characteristics of Islamic Community-Based Enterprise: An Exploratory Case Study in Bandung City

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Abstract

Prior research has investigated the role of Islamic values in community-based enterprise. The authors contributed to this line of research by exploring a community-based perspective. Using the resource-based view theory fundamental lens, this study aims to reveal the origins and unique characteristics of Islamic community-based enterprise. This research is an exploratory research with qualitative case study research involving 9 participants, all of whom are founders of a community-based business that uses Islamic principles. This study uses in-depth interview and observation as methods. The results show there are 3 origins of Islamic community-based enterprises, all of which have differences with conventional community-based enterprises. As for the characteristics, there are unique characteristics of Islamic community-based enterprise that are not found in conventional literature. The authors contribute to uncovering a new variant of the idea of Islamic entrepreneurship and community. This study reveals the birth of the idea of an Islamic community-based enterprise as a breakthrough concept that integrates entrepreneurship, community functions and Islamic values. This research also opens a form of Islamic entrepreneurship, which in previous studies is more prominent in the individual perspective. This study provides an in-depth lens to see Islamic entrepreneurship from a community perspective.

Keywords: Islamic community-based enterprise; community-based enterprise; community entrepreneurship; Social Entrepreneurship; Islamic entrepreneurship
A. INTRODUCTION

Research on community-based enterprise (CBE) is a relatively new field (Parwez, 2017; Olmedo, Twuijver and O'Shaughnessy, 2019; Mandrysz, 2020). Over the years, since the initial conceptualization of CBE by Peredo and Chrisman in 2006, many researchers looked at CBEs in various communities in many nations (see Lyons, Alter, Audretsch and Augustine, 2012; Pierre, von Friedrich and Wincent, 2014; Valchovska and Watts, 2016; Peredo and Chrisman, 2017). It cannot be denied that CBEs may provide opportunities for development for communities, especially for those in marginalized and deprived areas (Orozco-Quintero and Davidson-Hunt, 2010; Orozco-Quintero and Berkes, 2010; Peredo and Chrisman, 2017), in rural and urban areas, in both developed and developing nations. However, for Muslim communities, reconceptualization of CBEs is needed to meet the requirements of Islam. Thus far, very few studies have applied the Islamic perspective on the study of CBEs (see Parwez, 2017; Mohiuddin, 2017; Riwajanti and Fadloli, 2019). At both the conceptual level and practical level, there is a clear gap in literature about Islamic CBE. Therefore, there is a need to have a comprehensive model of Islamic CBE as Islamic principles must be applied at all aspects of the human lives.

Thus at this point it is important about the integration of religious-spiritual pillar. Most Western ideologies are based on the neoclassical traditions that suggest that there must be a separation between mundane (external) and spiritual (internal) affairs of man's existence (Addas, 2008). This suggests that the religious ideas should only affect the ritual realms, and there is no place for such ideas in the realms of economic, social, legal and environmental functions relating to life issues (Almawdudi, 2001; Chapra, 2002; Aydin, 2015). However, Islam as a comprehensive religion not only affects ritual and ethical aspects, but also all other aspects (Gümüşay; 2015). Addas (2008) states Islam sees both these aspects – mundane and spiritual – of human existence as unitary wherein the material and the moral considerations as well as the here (Now) and hereafter (Next) of human life are inextricably entangled. Thus, the study of Islamic entrepreneurship in general, and CBE in particular, must include the religious-spiritual pillar.

One thing that makes Islamic CBE (ICBE) different from other CBEs in the literature is that CBE is formed based on the Islamic principles. ICBE uses da'wah (da’wah simply means inviting or calling others to the way of truth and peace based on Islamic values) as a solution to alleviating the negative problems among young people in Bandung City, Indonesia. In their programs, they also empower the local economy by creating business stimulation programs that generate new entrepreneurs from marginalized young people. Da'wah programs created specifically for young people combine activities that are favored by the young people such as skateboarding exhibition and motorbike racing with Islamic lectures and dialogues. This community seeks to foster a better understanding of Islam and to steer the young participants away from wrongdoing and a life of crimes. This community also emphasizes the eradication of unemployment which can be a way for young people to distance themselves from criminal ways.

Marginalized communities are groups that are considered different by society and often do not get attention from the authorities, in this case those with criminal backgrounds, drug addicts, gangsters always find it difficult to live a decent life even though they have come out of their ‘dark zone’. They have criminal records and visible physical scars (such as tattoos all over their bodies) that make it difficult for them to find work, and they also have difficulty getting access to a good education. Bandung City, Indonesia as a city that has a high population of young people, also has many marginalized youth communities, there is no attention to these marginalized communities. It is as if they are just waiting to return to their 'dark zone' life. Bandung City, as a city for young people, has created many youth community forums to make changes in society, this is opening a gap to give birth to the ICBE phenomenon among their young people. This is as stated by Peredo and Chrisman (2006), collectivity among communities will give birth to joint action that demands change.

Around 2013 was formed, an Islamic community-based enterprise (ICBE) seeks to help these marginalized communities to survive life, nurture them, provide training, to equip them with job opportunities that help these marginal communities to change and get out of their old life. This ICBE
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consists of a group of young entrepreneurs who form a community to care for marginalized communities. This ICBE has a unique background and different characters from CBE found in the literatures.

B. LITERATURE REVIEW

1. Community-Based Enterprise and The Resource-Based View

The authors trace the work of Peredo and McLean (2006), Peredo and Chrisman (2006) and Zahra et al. (2009), the concept of CBE was developed from the concept of social entrepreneurship (SE). Zahra et al. (2009) divides SE typology into three, which are where one of them is social bricoleur, the social bricoleur entrepreneur is in line with local social norms and conditions and will utilize locally-available resources to overcome certain contextual problems. According to Peredo and Chrisman (2006), CBE is highly dependent on sources internal in the community to be their advantage, so that the authors see the resource-based view theory by Barney (1991) as a fundamental theory in viewing the development of the CBE concept.

In Peredo and Chrisman’s (2006) seminal work, there is no explicit mention if RBV (Resource-Based View) is the underlying theory of the CBE concept. However, the researchers can see this at the core of the CBE concept, where Peredo and Chrisman (2006) state about available community skills as the main character or foundation of CBE in their notion, “previously developed skills and experience influence the nature of the entrepreneurial activity” (p. 319). Peredo and Chrisman (2006) describe the types of economic activities adopted by CBE, such as livestock, cheese making, mining, trading, handicrafts, and so on, are usually related to the types of skills and experiences that local communities have acquired before CBE is formed. Some of these skills may be based on collective ancestral knowledge, such as forestry, livestock and crop management, while others are developed through the experience of individuals working outside the community. This indicates that the focus of their activities is derived from the internal focus they have. They believe their internal focus can produce excellence for their community. The notion of RBV, as argued by Barney (1991), is an organization will achieve sustainable competitive advantage if it has resources that are valuable, unique, rare and difficult to imitate. RBV views that internal organizational factors are the most important factors for any organization.

2. Two Functions of Entrepreneurship from Islamic Perspective

The concept of Islamic entrepreneurship is an important concept to bridge the formation of the idea of Islamic community-based enterprise (ICBE). This is used to review the conventional CBE concept, thus when modifications are made according to the Islamic entrepreneurship concept, this concept can create strong foundation for the ICBE concept. At the heart of the Islamic enterprises are the Muslim entrepreneurs who are expected to fulfill certain functions that go beyond making profit and the accumulation of wealth. According to Kayed (2006), Hoque, Mamun and Mamun (2014), Gümüşay (2015), Aziz and Mohamad (2016), in Islamic entrepreneurship, an entrepreneur has two functions, which are the iqtisadiyah (economic) function and ijtima’iyah (social) function.

In the function of iqtisadiyah, there are strict differences between what the entrepreneurs focus on in a capitalism and Islamic perspective. In the capitalist view, iqtisadiyah is built on the foundation of a free-market capitalism system. Free market capitalism is more than a free-market system that focuses on the exchange of wealth, good and services. Capitalism which is based on the secular paradigm (Aydin, 2011, 2013, 2015) focuses on the accumulation of wealth by controlling the factors of production. Capitalism assumes that humans are essentially selfish beings who seek utility maximization through rational choice (Piketty, 2014; Hart and Zingales, 2017). According to Bentham (1970; 1987), human nature that seeks pleasure, especially in terms of economic wealth, is the main authority of human behavior.

It is well documented in the literature (see Myers, 2000; Easterbrook, 2003; Sharpe, 2010; Bresser-Pereira, 2015; Robinson, 2017; Zafirovski, 2019) that many researchers believe economic advancements obtained by Western nations have yet to produce the promised paradise. Easterlin (1974) is one of the first to question the promises of capitalism and subsequently argued that economic data alone was not a good measure of well-being. Examining economic and subjective...
welfare data from the US for the period 1946-1970, he found that despite major advances in real income per capita (especially entrepreneurs) during that period, minimal change occurred in subjective well-being. Many subsequent studies (see Binswanger, 2006; Fischer, 2007; Di Tella, Haisken-De New and MacCulloch, 2010; Diener, Tay and Oishi, 2013; Beja, 2014) confirm the Easterlin's paradox, showing that longitudinally, the increase in economic growth does not increase personal happiness as expected. An Islamic teaching does not deny that humans do have a tendency to focus on the economic motives and accumulate wealth and that mankind will work hard to achieve these objectives (Altabari, 1992).

According to Chapra (1992), Islamic teachings do emphasize on the economic function and considers it as a noble obligation. The honor of man in the world lies in the efforts of individuals in meeting their needs by making and earning a living (Alqaradawi, 1995; Chapra, 2000; Elfakhani and Ahmed, 2013; Hassan and Hippler, 2014), as this is the key to maintaining his health adequately so that he can fulfill his obligations of worship to God (Oukil, 2013). In Islam, making a living in a lawful way based on the welfare of society is an individual obligation (fard al-ayn).

According to Alattas (1985), an equally important focus of Islamic business enterprise is to be mindful of the welfare of society. A Muslim entrepreneur thus has fard al-'ain (individual obligation) and fard-al kifayah (collective obligation) commitments to social welfare on top of his/her personal welfare (Sarif, Sarwar and Ismail, 2013). With these mandatory commitments, every Muslim entrepreneur is expected to contribute to the development of local communities and alleviating social problems (Uqlah, 1982; Al-Qaradawi, 1995; Bukowski, 2014; Aziz and Mohamad, 2016; Tlaiss and McAdam, 2021).

In the present time, there have been numerous studies that have looked at entrepreneurs who have integrated social responsibility in their business models to become social entrepreneurs (see Wempe, 2005; Austin, Stevenson and Wei-Skillern, 2006; Harris, Sapienza and Bowie, 2009). According to Gümüşsay (2015), these entrepreneurs may look similar to Muslim entrepreneurs but the two are very distinctive on the most fundamental grounds. Islamic teachings require every Muslim (including an entrepreneur) to have social concerns; indicating that acting socially-responsible is a way of life rather than a choice for Muslims. Moreover, Aydin (2015) argue that the social aspects inherent in Western worldview are more limited to cover up the damage to the materialistic outlook on life, whereas in Islam, the concern for carrying out social functions as part of one’s economic activities is a principle and not just an afterthought.

3. The Jama’ah (Collectively) in Islamic Entrepreneurship

Muslim entrepreneurs can carry out the functions of ijtima’iyah through several instruments, namely zakat, qard al-hasan, sadaqah and waqf by managing and distributing more effectively than those carried out by ordinary non-entrepreneur individuals (Aziz and Mohamad, 2016). This great potential for the function of ijtima’iyah is further enhanced by the Islamic framework of jama’ah (collectively) (Abdullah and Hoetoro, 2011; Aziz and Mohamad, 2016). More specifically, if Muslim entrepreneurs perform their ijtima’iyah function by distributing zakat, qard al-hasan, sadaqah and waqf to develop the poor to become new entrepreneurs through jama’ah (collective) activity, the results of the ijtima’iyah function will be greatly enhanced and improved. Potentially, this will enable the community to improve socially and economically. Thus, for Kayed (2006) and Gümüşsay (2015), this ijtima’iyah function would make Muslim entrepreneurs as social entrepreneurs since the social agendas are embedded in their business activities and operations.

In the functions of iqtsadiyah and ijtima’iyah which are carried out in jama’ah way, Aziz and Mohamad (2016) illustrate that this is a good potential asset for social change in society. This change requires the active participation of Muslim entrepreneurs to carry out their role in designing the best approach to achieve the optimal function of iqtsadiyah and ijtima’iyah. Mohiuddin and Islam (2016) provide a view that active participation is a form of implementation of Islamic teachings called the concept of shura. According to Alishfahani (2008), shura is a process of expressing opinions by revising one another between shura participants. Meanwhile, Ibn Arabi (1968) defines shura where
people gather to ask for their opinion (on a problem) where the participants share their opinions with each other. When there is interaction for *shura* among Muslim entrepreneurs in designing projects to carry out the functions of *iqtisadiyah* and *ijtimaiyah* in *jama’ah* (collectively), this becomes a differentiator to the concept of Islamic entrepreneurship which is able to bring a collective dimension (see Abdullah and Hoetoro, 2011; Aydin, 2013, 2015; Aziz and Mohamad, 2016).

With a solid understanding of the social and economic functions that are carried out collectively in Islamic entrepreneurship (Kayed, 2006; Gümüsay, 2015; Aziz and Mohamad, 2016), the authors believe this concept can be a solid support for literature in exploring the concept of Islamic Community-based Enterprise (ICBE). These concepts can be a strong foundation for a collective activity that has economic and social functions.

C. RESEARCH METHOD

The authors decided with the constructivism paradigm to explore this research. Constructivism suits the exploratory nature of this research. While there have been few studies looking at CBEs from the conventional perspective, there has not been many research on social enterprises in general and CBEs in particular which has used the religious-spiritual lens. Peredo and Chrisman (2006), Peredo and Chrisman (2017) and Pierre, von Friedrichs and Wincent (2014) suggest that current CBE research can focus more on qualitative research case studies needed to build the field. This study uses exploratory design to explore concepts from the depths of phenomena as suggested by Pierre, von Friedrichs and Wincent (2014). The research design of the study is the case study method as this will allow an in-depth study of a bounded system as suggested by Merriam (1998; 2009). The case study used in this study is a single case study. To meet these objectives of the research and gain a comprehensive understanding of ICBE, the authors involved the nine founders of ICBE as participants. Each of the founders was coded as F1 to F9. The authors used semi-structured interviews and observation as data collection methods. This study started the interview with questions related to personal life events then explore the views of the informants about the spirit of Islamic entrepreneurship, the importance of the community until the achievements they expect from their activities. Following the tradition of Merriam (1998, 2009), the interviews were supplemented by observations. According to Gold (1958), there are four roles for the research in observations: (i) complete observer; (ii) observer as participant; (iii) participant as observer; and (iv) complete participant. In this present study, the researcher played the role of a complete observer.

This present study followed the interactive model developed by Miles and Huberman (1994) for data analysis. In this present study, manual analysis to analyze the data was employed. At the beginning, the researchers plan on using software to help design the analytical data. However, after entering the field, the plan changed. The majority of informants are more comfortable speaking in the local language (Sundanese language). According to Sutedi, Kurniadi and Baswardono (2020), in Sundanese, there are three levels of the language (*undak usuk basa*): ribaldry level, standard level, and polite level. It will be difficult to find patterns in software-based analysis if all these data are not translated in English first. Meanwhile, Merriam (1998; 2009) as a naturalist does not appreciate intervention in raw data, thus the authors prefer to continue to analyze raw data without translation, and follow manual analysis by Saldaña (2009). The authors just translated all the raw data after being processed into themes and coding and displayed them in the research results of this paper.

D. DISCUSSION

1. The Origin of ICBE

   a. Social Duty

   All the founders of the ICBE stated that ‘social duty’ is a primary reason for them to choose to launch the ICBE. Having witnessed the troubles young people get into and the lack of assistance given to these troubled young people, the founders believe that it is their “duty” as Muslims to help provide possible solutions for the troubled young people. This is in line with the Islamic teaching that stresses on the importance of taking care of the society and social life. According to F1:
"When asked why make a (program) like this because this is indeed the teachings of Islam to care about the social life around us. Can you imagine the social problems of these young people that are so difficult to solve (by government, NGOs, and others). If we as young people also do not care about this problem, then who else would care, if we look at the current conditions. Alhamdulillah in the teachings of Islam when we do something (obligation), there are two aspects. One aspect for ourselves and also an aspect of kindness for society, specifically (in this case) for the community of young people from our perspective." [F1].

F3 added in his interview:
"This aspect of social awareness is missing in young people today. You can see a lot of business seminars now (organized) by great young people, (they are) graduates from overseas campuses, (they) can be a millionaire from a very young age and so on. But it is only just establishing their own brand as rich, (as) great young entrepreneur. But (they did not see) there were severe social problems around them. So, I saw when (I) joint (this) project (was founded) because of the social concerns taught by Islam. We as Muslims must apply."[F3].

It is interesting that focus on solving social problems was clearly on display in the offices at the ICBE. On the many occasions that the researchers visited the ICBE, he noticed that the walls in the offices of the founders had various posters aimed at young people that promote positive propaganda and messages that may help address and recognize some of the problems faced by these people.

b. Fulfilling The Jama’ah (Collectively)

The founders further agree that the establishment of the ICBE is a way for them to respond to the call of Islam for jama’ah or congregation that will strengthen the ummatic relations in a Muslim community that covers all aspects of life. For some of these founders, the current application of congregation, especially in the urban areas and only to the prayers performed in mosques, is limiting the application of the ummatic spirit that may potentially have a wider positive impact on society. The quote below reflects how all these are not lost to the founders and how they felt their involvement in the ICBE enable them to utilize the confrontational principle on a wider basis. In salat, which is private worship, it is better if it is done in congregation, let alone social worship. Of course, the benefits will be greater for many people. According to F3:

"We make this collective project because in Islam there is a virtue in congregation. In private worship such as salat the reward is better if done in congregation, especially it is social worship. This coverage (social worship) is related to many people." [F3]

In a unique application of the jama’ah and ummatic ideas, F2 reconfigures his restaurant to become a dining da’wah venue. The concept applied here is similar to those restaurants with live music or other sort of live entertainment. A key difference is that his restaurant hosts live da’wah sessions with invited ustadhs who are innovative and creative in their delivery of key Islamic ideas and teachings. It is safe to say that the restaurant is extremely popular, especially amongst the target audience of young people. What is interesting about this restaurant is the fact the researchers witnessed the ummatic ideas at work first hand.

The researchers observed the daily activities at the restaurant until its closing time. As the closing time approaches, some founders (at that time F4 and F5) came to the restaurant to help tidy up the place. One founder took up the responsibility to fetch and sent the ustadh home. For the founders, this spirit of freely working together and supporting each other is important as it does account to good deeds that will be rewarded. When asked about this observation made by the research, F4 commented:

"We do goodness in congregation, so who has more flexible time can help to other founders. If there is goodness, it would be a pity if it was missed hehehe." [F4]
The founders stress on the importance of collective action in making good. Not only do they consider congregation in aspects of private rituals such as *salat*, but there are also Islamic teachings about the importance of congregation in many activities.

c. The *Jariyah* (Continuous) Act

*Jariyah* means action that continues to benefit people long-term and continues to earn the giver rewards even after death. This is yet an important aspect that the founders of the ICBE have stressed upon. The researchers observed fist-hand how the founders iterated this idea in a monthly *da’wah* event organized at the ICBE. At the start of the event, F1 stated *jariyah* as a key motivator, not only for the present time, but also to motivate others to continue on with the social projects in the future:

“There is never a sense of boredom descending upon us when making this monthly routine *da’wah* activity. Maybe some of us are asking ourselves, 'what are we going to do like this, looking bored'. What I want to tell you, we understand that in the beginning we made this project because of the urge to make a jariyah for ourselves when we all die. Jariyah means sustainable. How can people want this project to be sustainable if we are all dead, while we are still alive, we already feel bored doing it?” [F1]

There is affirmed by F7, especially in lieu to the position of the younger generation in the current era which can be viewed as show-offs. The younger generations in business are those who become businessmen because they want to show off their wealth. A new business starts with an impossibly high level of bragging. This is what the ICBE founders underline when starting this project. According to F7:

“In the past, when I was a student, (I) had attended the association of young entrepreneurs. (I) attend their events, share networks, and compete with one another for prestige (to) become the most successful young entrepreneur. As a result, at that time, I felt far from the focus of the business in developing ideas. (I'm) busier showing off for fame, that's all. Even though (I) don't have money, there is (I have) a lot of debt. So when (the founders invited me to join), I felt there was something that made me have a desire to run a different level of business. We all realise that there is something more important than accumulating money for fame, which is the urge to create jariyah for the afterlife.” [F7]

This means that there is a paradigm error in most young people when starting a business. They start a business because they want popularity and to be regarded as rich people. ICBE thus becomes an opposite notion to the community, as they are encouraged to create ICBE because of *jariyah*.

2. The Characteristics of ICBE

This section is intended to reveal the characteristics inherent in ICBE and is expected to be able to answer the different characteristics of ICBE and conventional CBE

a. Sharia Sovereignty

In the interview, the founders reveal that the first character inherent in ICBE is sovereignty in sharia law. This makes it a big difference with communities that do not rely on their standards with Islam. It may be that in other communities, the direction of movement of the organization or community is determined by the decision of the most votes, whereas in communities that have Islamic standards, this is determined by sharia law. Although the majority of people in the community do not agree on one thing, the sharia law must be followed even if it is just one vote. On one occasion, there was a project from the government to collaborate with ICBE which involved a bank owned by the provincial government. This project promises great opportunities and is considered capable of enlarging ICBE with their programs. However, the final decision was ICBE to reject the collaboration,
because the bank involved was a conventional bank that applied *riba* (usury). Decisions were made quickly without a member voting process. Because *riba* is *haram*, there was therefore no voting for anything that is *haram* in this community. This shows the character of sharia sovereignty. According to F1:

"(Something) that distinguishes us from other communities, the strictest, is sovereignty in the hands of Sharia. That is, you can see other communities making decisions, certainly, based on the most votes from their community members. From the beginning (this community) we made a kind of motto 'Sharia First'. For example, when there is a decision we have to make, some people agree with A’s opinion, (and this) will bring good for this community, but it turns out that A’s decision after reviewed is contrary to sharia law. So, what must be taken is sharia, not the majority vote. In the Quran, Allah clearly says that you may not like something, even though it is good for you. For example, when there is (opportunity) propaganda in large scale events in the province in collaboration with the Pemerintah Provinsi Jawa Barat (West Java Provincial Government). It turned out that after reviewing it turned out there was the involvement of the provincial bank, BJB (Bank of West Java and Banten). We automatically cancel the collaboration, because it involves bank which activities are related to ribā that is forbidden (by) Allah. In fact, there are many members of this community who agree to cooperate with the provincial bank. Their reason (because there) is a greater goodness that can be taken. For example, the reach of our da'wah can be greater (than just city-based da'wah). But in the end, this community decided not to compromise with prohibition. (We) do not involve the bank in funding our activities. [F1]

As F5 also emphasizes, maintaining the sovereignty of these important decisions is all left to Islamic rules, intended to maintain the purity of the aims of this community. If sovereignty is handed over to the majority of the people in the community, then this will have the potential to create many contradictions. It is because each will have their own interest. Because this project is a project that hopes to be pleased by Allah, everything must be maintained in accordance with Islamic law while considering only aspects related to halal-haram. Whereas those are *mubah* (permissible) are more flexible and can follow the wishes of the majority of members, according to the best way that can be used. According to F5:

"You imagine, if we make this project (with the intention) to expect the pleasure of Allah, but when running it turns out we violate sharia law, how (this) will be received (by Allah). Like I want to donate food for you but I get food from stealing. We don’t want to be Robin Hood hahaha. So, the majority vote only applies to mubah things. For halal-haram, there is no vote. That is the characteristic of this community, the sovereignty is in sharia." [F5]

The founders are aware that every good intention that is to be carried out must also be carried out in a good manner. Thus, Sharia sovereignty in determining community movement is a mandatory character that exists in an Islamic community, especially in this case is an ICBE.

**b. Non-Exclusivity**

In the first observation made by the researchers, there was a 'welcoming' atmosphere among all the people involved in this community. They are very welcome by the presence of people from outside the community because ICBE wants to invite as many people outside the community to do good together. The researchers were also involved in one observation in the 'street preaching' event conducted by this community after *Jumah* prayer. They distributed their event flyers to people in public places, inviting them to join in their activities. They mix comfortably with all members of the public.

There is an affirmation of this aspect in the interview session. One source recounted that other entrepreneurial communities would usually only cater for their communities or only for entrepreneurs.
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Their activities are thus only specifically for business-related institutions. This is contrary to ICBE, as the ICBE accepts anyone who wants to join, captures the widest possible grassroots in society, and finds the root of social problems that are faced in actuality. According to F7:

“This community is different from other business communities, because we are not exclusive. For example, the other entrepreneur communities are, on average, exclusive to entrepreneurs. Their activities are specific to their businesses, and those who join them are entrepreneurs (of course). We do not. For example, the other members who later joined were not all entrepreneurs, but now they are slowly learning to become entrepreneurs. In essence, this community is designed from the start to not be exclusive, to feel (in a position) more than people. Instead, we must be able to embrace the grassroots of society to unravel the red thread of the social problems we face.” [F7]

In another observation process, the researchers were able to acquaint himself with a number of ICBE members and got to know their backgrounds at a glance. Most of them have a variety of backgrounds, from educational levels to family backgrounds. Some were born into rich families, some were poor, some had studied abroad, and some did not have higher education. ICBE accepts them all if they really want a change for the better in their lives.

c. Based on Available Community Skill

In starting and running a business, the founders realize that they must have the skills to achieve competitive advantage. ICBE has the character to create skills that are based on the skills that are already mastered by its founders. One of the founders has the ability to cook, who then started a restaurant business. Then there is someone who is a professional skateboarder who then started a skateboarding equipment business. There is also one who has graphic design skills and then makes merchandising business for t-shirts, jackets, etc. According to F2:

“When (I) want to run a business like this, I have a background in the world of cooking. Then continue my parents’ business. Similar to other founders, they made businesses with their abilities in the past. F5 was a skateboarder, he makes a business specialized in skateboarding equipment. (This) is because he knows the ins and outs of the skateboard world after a dozen years as a skateboarder. F1 too, he is a graphic designer, now he is in the merchandise business because in the past he made merchandise for local bands.” [F2]

The researchers notice that this is in line with the account shared by F2. Almost all of these founders initialized their businesses post-hijrah and relied on the skills they already have. In essence, there is a special skill from their past lives that is still useful to be used for the new path they are in. In others, the same cannot be said nor observed. For instance, F3 who was a rock-star does not seem to fit into the profession as a meatballs' seller. Nevertheless, his rock star background has made him well known to many people, and he is well-versed in the youth market segment, because in the world of music, almost 100% of fans are young people.

d. Culture of Learning

The founders of ICBE instill a mentality to continue learning. This is steadily becoming a culture in ICBE and is becoming one of their characteristics. One of the founders in his 50s felt that it was too late to learn many new things, but when he joined the ICBE, he found that his views were wrong. It is never too late to learn something new, especially when you want to start studying religion again from scratch in your 50s. This is not easy, but when the system (people) around supports it, it can be done. Because in ICBE, the learning culture is an important characteristic that is part of the foundation. F8 shared this proudly, of how he previously felt ashamed to study religion again from scratch, but is now proud of it.

“One thing that I feel in this community is a high learning culture. At first, I felt inferior because I was no longer young, in my 50s. I feel ashamed to join in hijrah
mission; (I) want to learn something new. But because of the (learning) culture among all people in this community, then I have a passion. I was carried along. For example, when there was a first time da’wah programme live through online media, some founders specifically took broadcasting courses. (They) want to be able to present da’wah broadcasts online via the internet with their own abilities. Even though they do not have experience in broadcasting world, but their high learning enthusiasm makes them to learn technical details such as sound system settings. In terms of business too, for example F3 who previously did not understand online marketing, (later) learned internet ads (to become an expert).” [F8]

According to F1, this learning culture is an Islamic value that is applied by ICBE, because in Islamic teachings, a learning culture is compulsory for everyone. F1 also tells the story of another founder (F3), how F3 learned to make bakso (meatballs) from his wife. The word inferior does not apply to learning many new things. Likewise, F4, who was originally a photographer, studied the clothing industry and its materials with a high learning culture.

This culture of learning is extracted from Islamic teachings, which always emphasize its members to always hone knowledge. This is included in the activities in this ICBE. All involved must have this character in running this community.

e. Dependence on Social Bonds

There is a special bond that binds every community. In the case of this ICBE, special ties are formed from various elements contained in the concept of social bonds from Islamic teachings. This includes the bond of brotherhood (ukhuwah) because in Islam, the desire to connect silaturahmi (friendship) exemplifies the existence of aqidah as a foundation that encourages them to move together with the same long-term vision. According to F1:

“An important thing when doing (this project) is that we must understand that we are all brothers because of Islam. Ukhwah Islam is a religious term, whether among the founders or for all members of the community. All are bound by Islam; this must be one important characteristic about this movement. Connect ukhuwah (brotherhood) and connect silaturahmi (friendship).”

In one of the other interviews, the responder shared that without Islamic social capital ties, they will only be in a position where benefits are used as a basis for binding oneself. When there are benefits, they will come together, and only make money-oriented projects. There will be no benefit to the wider community, as all is for one’s own sake. However, with the existence of Islamic social capital that holds them together, then things outside the principle of benefit and material orientation can be created to give birth to an extraordinary project in the midst of society.

In the observation session, the researchers found that if everyone involved in ICBE met each other, they called each other by ‘Yaa Akhi’ meaning ‘O my brother’, and this is not just a mere call. In a joint activity, a member was absent due to a problem, and all the other members inquired over the absentee member, expressing their concern and worry over the individual. They convey this to signal to others that they care and are willing to shoulder the burden together. This reflects a strong bond, a special bond that reflects the concept of Islamic social capital being the character of this community.

f. Multiplicity of Goals

The last characteristic inherent in an ICBE is the multiplicity of goals, unlike most other communities, which usually have one specific goal. In an ICBE, goals can be diverse, such as economic goals, social goals, and goals for religion are special goals that are long-term and a comprehensive character in a community like this. There is a goal to serve the people that are far beyond just generating income, and this is done with a variety of approaches. According to F9:

“In my opinion, what makes this community comfortable to run is because we have many goals. Our goal is not just to generate income. Something like that is less challenging, less fun like. But if you have a goal other than generating income, for
example there is a goal to serve the people with a variety of approaches, this becomes something special and makes us more motivated to live it.” [F9]

F5 shared that F1 explained the many goals of the ICBE when asked to join the project. Though feeling skeptical at first as he had suffered a lot of losses, he came to an understanding that to do well, he did not have to wait until the position is comfortable. He ventured into this project when he was still facing issues of his own, and finally he was able to find a collective action to achieve these many goals, which in the end also allowed him to learned how to conduct a healthy and running business. According to F5:

“Since its establishment I have been told by F1, that we make a project that has many goals. I initially felt inferior too, if I could do this. Especially in running a business, at that time I still had a lot of losses. How would you like to join a project like this? But I am grateful, all my friends here can be assured that if done together, we can handle these many goals.” [F5]

In this ICBE, there are many objectives which are combined into one unit that is interrelated. Not a single one is prioritized; all goals are one body that must be resolved together. For example, in an infrastructure project in the form of building as a gathering place, the place is aimed to serve and accommodate many functions. The venue is a social space where they can interact, and people from outside can also come and form new social networks. It can also be used as a place to make money, as people can operate small shops around the gathering place. It can also be used as a place to make da’wah events as well and produce goals for religion.

These different goals are essentially rooted in the purpose of worshiping Allah. It is from the purpose of worshiping Allah that further results in the branches of technical goals, such as economic goals or social goals which are all basically a big goal as the goal of worshiping Allah.

3. Implication of Research

This study has aimed to provide a deeper understanding of the origin and characteristics of the Islamic community-based enterprise (ICBE). An ICBE should be distinguishable from conventional CBE because of the fundamental differences in Islamic worldview and the Western, a more secular worldview that forms the foundations of the studies of conventional CBE. For instance, the study attempts to determine the role of Islamic social capital in ICBE and its application through ICBE's contribution to community economic development. It cannot be denied that CBEs, either conventional or Islamic, seek to develop the communities they serve. Nonetheless, the ICBE presents an alternative way of development that is imbued with Islamic principles. In short, development of the Muslim communities can happen without compromising Islamic principles.

The ICBE reveals a desire for the founders to change their ways and to help troubled young people in Bandung City to change, which has been a key driver for the community. The researchers collected information about the lives of the founders and subsequently other members of the community which was significant that they can be regarded as hijrah (migration). The concept of hijrah was discussed in the extent literature based on the views of Alqurtubi (2005), Haykal (1976), Choudhury (1993) who have the view that hijrah is the essence of changing something in totality. As observed in the stories of the founders, their hijrah totally changed their lives and inspired others to do the same.

The founders then used their experiences, skills and abilities in entrepreneurship inspired by the concept of hijrah and Islamic entrepreneurship. According to Gümüsay (2015), Islamic entrepreneurship emerges when economic actors realise Islam is not only a spiritual religion, but a comprehensive living system. When the conventional entrepreneurship concept is used, which is dominated by Western values, Kayed (2006) warns of a clash of worldviews for Muslims as Western values and Islamic values are not the same. For instance, the conventional entrepreneur is motivated by self-interest to ensure the increase in personal wealth through profit maximization behavior (Aydin, 2015). For the nine founders of the ICBE, this target is not important, and they even use their personal resources to ensure the smooth running of the ICBE.
From an Islamic perspective, the benefits of entrepreneurship are extending to the goal, not only for oneself, but also for other people, or for the wider community (Kayed, 2006). The founders initiated the community to help troubled young people. Their choice of —focus— was perhaps driven by the fact that the City has the highest youth population in Indonesia and most of them, especially those who are enthralled in negative cultures, have limited access to help and support. There are a number of elements that further influenced the start of the ICBE. In the context of this study, the founders have enabled them to develop and operate the ICBE. The outcomes derived from their entrepreneurial activities are used to address some social issues afflicting young people in Bandung City. Indeed, incomes generated from each of the businesses are often channeled towards the ICBE, and the businesses often employed the young people who are members of the ICBE, with ICBE da'wah events held at the business premises of the founders and so on. The willingness of the founders to risk their personal assets and wealth to make the ICBE work reflects the fact that Islam stresses on the community and community welfare, as indicated above and in the literature. According to Alattas (1985), this fits into the function of al-Ijtima’iyyah of Islamic business enterprises, whereby Muslim entrepreneur has fard al-‘ain and fard-al kifayah commitments to social welfare on top of his/her personal welfare (Sarif, Sarwar and Ismail, 2013). This important element epitomizes the fundamental differences between the Islamic worldview and the Western worldview with regard to entrepreneurship, as mentioned in the literatures (see Kayed, 2006; Aydin, 2015; Gümüşay, 2015).

It is clear that this ICBE which was built on Islamic teachings is different compared to conventional CBE. One fundamental aspect is contained in the intention to why things are done. According to Alsuyuti (1995), in Islam, intention is what determines whether an act can be accepted as a good deed or not. Contrastively, a typical CBE is built to help communities get out of economic and social discriminations (Peredo and Chrisman, 2006; Valchovska and Watts, 2016). The ICBE founders’ key focus is to fulfill their obligations as Muslims in tackling social concerns relating to marginalized young Muslims. In short, the ICBE has one key objective, namely the intention to carry out social duty as a religious command for life in the world and the hereafter. The outcome of achieving this objective, as indicated by the founders, is to promote better economic and social well-being for the community of youth by encouraging their hijrah to an Islamic way of life.

According to Peredo and Chrisman (2006) in their seminal paper, CBEs are born because of a sense of togetherness among the people involved. However, what makes the concept of —togetherness— from an Islamic perceptive different from that of the Western perspective is the root of this concept. In Western society, togetherness which gives birth to CBE is based on the prevailing individualistic nature of the society (Harriss, 2002; Aydin, 2015; Aziz and Mohamad, 2016). Perhaps this is best explained in the findings by Laidlaw and Magee (2014) who studied CBEs in two major cities in Milwaukee, USA and Melbourne, Australia that aimed to solve the problem of food dependency on external and foreign food sources in the cities. The researchers concluded that the —hobbyist attitude found in one of the CBE will be a great challenge in achieving the food sovereignty objective and making the CBE sustainable beyond the initial few years of inception. The study also revealed that achieving economic milestone remained an important target to ensure that it is able to remain operational and to gain financial support for future operations, whereas in Islam, the attitude of togetherness is the natural character of Muslims (Aziz and Mohamad, 2016). Qutb (1952) notes the concept of jama’ah (togetherness) is a standard concept in Islamic teachings. Jama’ah or congressional is encouraged in Islam and accordingly, Muslims are often required to apply it their everyday life (Qutb, 1952).

The in-depth interviews with the founders revealed their life stories, which perhaps explained the reason why they sought to help troubled young Muslims with the formation of the ICBE. Before forming the ICBE, some founders themselves led troubled lives. Their hijrah to make Islamic teaching the center of their lives was perhaps what made it easier as they supported each other. The founders felt that they needed to provide support for others, especially the young people, wanting to hijrah and the ICBE is doing just that. According to the founders, they have a social duty to help fellow Muslims and that act that of jariyah is the one thing they could bring with them in the afterlife. Working
together in performing their social duties also enabled the founders to fulfill yet another key element of Islam, which is fulfilling jama’ah (congregation).

The characteristics of the ICBE were also revealed in the in-depth interviews with the nine founders. When compared to the characteristics of conventional CBE from the past literature, the researchers found several similarities and key differences between the ICBE and other CBEs. Similar characteristics detected were based on available community skills, dependence on social bonds, and multiplicity of goals. However, a closer examination of some characteristics revealed the ICBE did possess some unique elements. In the literature, the multiplicity of goals covered social and economic goals. For the ICBE, religious goals, namely the goal of worshiping Allah, are paramount and contained within them are economic and social goals.

Resource-based view (RBV) is a theory that was developed in the research area of strategy, but has been used in various research areas. In the study of strategy, resources owned by companies are used to increase competitive advantage that may help companies to survive in the long term. For the ICBE, both the economic resources and social resources have been found to be important in making the community work. More importantly, the study found social resources to be more important and they generate economic resources that the ICBE uses to run its da’wah programs for marginalized communities.

The ICBE uses all existing community resources to make their community thrive. However, it is unlike what the original RBV intended, i.e., only for the benefit of the organization. In the findings of this study, the ICBE developed existing resources for the advancement of parties outside the community as well, namely the wider community. The important point is that this study has extended the coverage area of RBV which can be maximized for the social and economic sectors simultaneously; and the function of RBV is not only for the benefit of the organization or community that runs it, but the benefits of RBV can be extended to outsiders. This is a unique finding that is able to broaden the discussion on the RBV concept. This concept becomes relevant to various conditions of each group, community or organization that has added value in the form of a social axis, to be able to spread the benefits of RBV to external parties, in this case marginalized communities benefit from RBV contained in ICBE.

E. CONCLUSION
1. Summary
This study has aimed to provide a deeper understanding of the origin and characteristics of the Islamic community-based enterprise (ICBE). An ICBE should be distinguishable from conventional CBE because of the fundamental differences in Islamic worldview and the Western, a more secular worldview that forms the foundations of the studies of conventional CBE. Thus in this study the authors found fundamental differences about the origin and characteristics between ICBE and conventional CBE.

2. Suggestions
At the starting point when starting this research, the researchers planned on bringing the latest qualitative research methods that can maximize the research exploration, namely a mini-ethnography case study. This method is a method initiated by Fusch, Fusch and Ness (2017) which makes case study research a distinctive ethnographic exploration, but that which makes ethnographic research a shorter activity as to that of pure ethnography. The researchers felt that by choosing this method, an exploration of the ICBE case could be more in-depth in nature. However, taking into account the time constraint, the researchers decided to not opt for this method and only used the conventional case study method. Thus future research can explore other methods to be used to investigate ICBE and the complexity of its interactions, which are less likely to be revealed if only carried out by a pure case study research. The next research can use other methods such as ethnography can open a wider and deeper lens on the complexities of community interaction in community-based enterprise activities and can lead to a comprehensive qualitative study.
REFERENCES


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