




Research Article

Muhammadiyah's Economic Movement: A Philosophical Perspective From A Systematic Literature Review

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Muhammadiyah's Economic Movement: A Philosophical Perspective From A Systematic Literature Review

Abstract. Muhammadiyah's economic movement constitutes an important dimension of the organization's role as a socio-religious movement oriented toward improving the social conditions of the Muslim community. This article aims to systematically analyze how the Muhammadiyah economic movement is developed and implemented within a philosophical perspective. The research employs the Systematic Literature Review (SLR) method by analyzing relevant journal articles. The findings indicate that the Muhammadiyah economic movement is built upon an ideological foundation reflected in the Al-Ma'un theology, the principles of *ijtihad* and *tajdid*, and the paradigm of Progressive Islam. This movement is manifested through the socio-economic empowerment of the community, the management of Muhammadiyah Business Ventures (*Amal Usaha Muhammadiyah*) as an institutional basis, and the development of community entrepreneurship. The review also reveals that Muhammadiyah's economic movement faces various contemporary socio-economic challenges, which require institutional strengthening and adaptive empowerment strategies. Overall, the findings confirm that the Muhammadiyah economic movement represents a socio-religious practice that integrates Islamic values with institutional engagement and community economic empowerment in responding to modern socio-economic challenges.

Keywords: Muhammadiyah, Economic Movement, Socio-Economic Empowerment, Progressive Islam, Systematic Literature Review

INTRODUCTION

Muhammadiyah is one of the largest Islamic organizations in Indonesia, which since its establishment, has not only focused on religious preaching but has also actively responded to social issues within society. Founded in 1912, Muhammadiyah has developed a movement that links religious reform with social engagement through education, health services, and community empowerment. This orientation positions Muhammadiyah as a social actor directly involved in improving the quality of life of the Muslim community.¹

Within Muhammadiyah's philosophical framework, Islam is understood as a religious teaching that requires active engagement in social life. From this perspective, Islamic teachings do not end with ritual worship but instead encourage a commitment to addressing social issues such as poverty and injustice through practical actions.² This worldview shapes the character of Muhammadiyah as a movement that integrates religious thought with concrete social practices.

A fundamental pillar of this philosophy is the Al-Ma'un theology. This theology emphasizes that faith must be manifested through concern for marginalized groups and concrete efforts to improve their welfare. In the Muhammadiyah context, Al-Ma'un is understood not merely as a normative teaching but as an ethical foundation for social and economic movements.³ Accordingly, Muhammadiyah's economic activities cannot be separated from the moral and social orientation embedded in this theological foundation.

¹ Elhady, "Islamic Reform Movement In Indonesia: Role Of Muhammadiyah In Social Empowerment," *International Journal of Academic Research in Business and Social Sciences* 7, no. 8 (2017).

² Saefudin, "Transformasi Doktrin Al-Ma'un Terhadap Penguatan Gerakan Ekonomi Muhammadiyah," *Jurnal Ilmiah Ekonomi Islam* 8, no. 02 (2022): 2120-34.

³ Ibid, Saefudin.

In addition to the theology of Al Ma'un, Muhammadiyah also develops the principles of *ijtihad* (independent reasoning) and *tajdid* (renewal) as a framework for responding to social change. The principle of *ijtihad* enables Muhammadiyah to interpret and develop Islamic thought rationally and contextually, while *tajdid* functions as a stimulus for renewal in religious and social practices.⁴ In the economic sphere, these principles provide space for Muhammadiyah to develop empowerment approaches that respond to societal dynamics without abandoning fundamental Islamic values.

The development of Muhammadiyah's thought is further synthesized into the concept of Progressive Islam. This concept emphasizes the integration of faith, knowledge, and action in building a just and progressive social life. Progressive Islam serves as a normative framework that shapes Muhammadiyah's view of economic activity as an integral part of its religious mission and as a means to enhance the quality of life of the community.⁵

Muhammadiyah's economic movement represents a concrete manifestation of Progressive Islam in social life. Economic activities are directed toward building independence, empowerment, and economic resilience within society through an integrated approach that combines religious values, institutional capacity, and social praxis. From this perspective, economic engagement is understood as a strategic instrument for realizing social welfare and justice rather than merely material activity.⁶

While numerous studies have discussed Muhammadiyah's economic movement from various perspectives, including socio-economic empowerment, the management of Muhammadiyah-owned institutions, the development of community entrepreneurship, and organizational responses to social and economic change. However, most studies address these aspects separately and have not yet been synthesized systematically within a single philosophical framework. As a result, the interconnections between ideological foundations, socio-economic empowerment practices, institutional management, entrepreneurship, and Muhammadiyah's responses to contemporary challenges remain insufficiently explored in the academic literature.

Based on this condition, the research that synthesizes various research findings on Muhammadiyah's economic movement within a comprehensive conceptual framework is required. A Systematic Literature Review is considered an appropriate approach to mapping how Muhammadiyah's philosophical values, particularly those associated with Progressive Islam, are manifested in the practices of its economic movement. Therefore, this article aims to systematically analyze the academic

⁴ Setyawan, "PEMIKIRAN EKONOMI TERHADAP (Studi Kasus Pada Amal Usaha Organisasi Masyarakat Muhammadiyah)," *Jurnal Ekonomi Islam* 2, no. 1 (2013): 105-34.

⁵ Arifin, "The Idea of Progress: Meaning and Implications of Islam Berkemajuan in Muhammadiyah," *Al-Jami'ah* 60, no. 2 (2022): 547-84.

⁶ Yola Dyfa Meisari and Faisal Abdullah, "Peran Muhammadiyah Dalam Pengembangan Kewirausahaan Di Kota Tangerang," *Masterpiece: Journal of Islamic Studies and Social Sciences* 3, no. 2 (2025): 287-99.

literature concerning Muhammadiyah's economic movement from the perspectives of Muhammadiyah philosophy and Progressive Islam.

RESEARCH METHODS

This study employs a Systematic Literature Review (SLR) approach to organize and synthesize scientific studies that discuss Muhammadiyah's economic movement. The SLR approach was selected because it allows researchers to systematically compile and integrate findings from previous studies in order to develop a comprehensive understanding of a particular field of research.⁷

The data sources for this study consist of relevant scholarly journal articles related to Muhammadiyah's economic movement. The literature search was conducted through academic databases using keywords related to Muhammadiyah, economic movement, socio-economic empowerment, and Progressive Islam. The selection of articles was conducted purposively based on their relevance to the research focus and thematic scope, following common practices in SLR-based studies within the Indonesian academic context.⁸

Data analysis was carried out by categorizing and comparing the thematic focus of the selected articles into major themes. This process aimed to identify patterns, trends, and relationships among research findings in order to produce a structured synthesis. This thematic synthesis approach is consistent with the core principles of SLR, which emphasize the integration and interpretation of research findings rather than merely summarizing existing literature.⁹

RESULTS AND DISCUSSION

Ideological and Philosophical Foundations of Muhammadiyah's Economic Movement

Muhammadiyah's economic movement is grounded in an Islamic worldview that positions economic activity as an integral part of the organization's religious and social mission. From its inception, Muhammadiyah has viewed Islam not only as a belief system but also as a normative guide for constructing a just and progressive social order. Within this framework, economic activity is understood as a means to realize community welfare rather than as a neutral technical sector detached from religious values.¹⁰ Accordingly, economic engagement in Muhammadiyah is embedded within *da'wah* practices that are oriented toward social transformation.

From the perspective of Muhammadiyah philosophy, Islam is understood as a transformative teaching that requires active engagement in social life. In practice, Muhammadiyah does not separate religious commitment from social action, and

⁷ Hannah Snyder, "Literature Review as a Research Methodology: An Overview and Guidelines," *Journal of Business Research* 104 (2019): 333–39.

⁸ Siringo Ringo, "Systematic Literature Review Dengan Metode Prisma: Pembelajaran Berdiferensiasi Pada Pendidikan Dasar," *Jurnal Didaktika Pendidikan Dasar* 9, no. 1 (2025): 209–26.

⁹ Xiao & Watson, "Guidance on Conducting a Systematic Literature Review," *Journal of Planning Education and Research* 39, no. 1 (2019): 93–112.

¹⁰ Rahmadanti, "Peran Muhammadiyah Dalam Pengembangan Kewirausahaan Di Kota Tangerang."

economic issues faced by the Muslim community are addressed through organized and collective efforts.¹¹ Therefore, Muhammadiyah's economic movement can be understood as a logical consequence of a philosophical view that rejects the separation between religion and social issues.

The primary ideological foundation of this economic movement is the Al-Ma'un theology. This theology emphasizes that faith is insufficient if manifested only through ritual practices, it must be expressed through concern for marginalized groups and concrete efforts to improve their welfare.¹² Within Muhammadiyah's philosophical framework, Al Ma'un represents the axiological dimension of Islam, in which social justice and advocacy for the disadvantaged are positioned as fundamental objectives of religious practice.

The theology of Al Ma'un within Muhammadiyah does not remain at the level of individual moral commitment but undergoes a process of institutionalization through social and economic movements. Muhammadiyah's economic initiatives are largely framed within an empowerment approach that emphasizes sustained and structured efforts to strengthen the economic capacity of communities rather than providing short-term assistance.¹³ In this sense, Muhammadiyah's economic movement reflects an attempt to translate normative Islamic values into organizational structures and policies.

In addition to Al Ma'un, Muhammadiyah's philosophical foundation is also built upon the principles of *ijtihad* and *tajdid* as epistemological bases of the movement. The principle of *ijtihad* provides space for Muhammadiyah to develop rational and contextual interpretations of Islamic teachings, including in responding to evolving economic challenges.¹⁴ This epistemological orientation enables Muhammadiyah's economic movement to remain dynamic and open to innovation while maintaining its commitment to fundamental Islamic values.

The principle of *tajdid* strengthens the orientation toward renewal within Muhammadiyah's social and economic practice. *Tajdid* encourages the organization to conduct critical evaluations of economic practices that are no longer relevant and to develop new, more effective models for community empowerment.¹⁵ Within this framework, economic activity is viewed as a domain of social innovation that must continuously adapt to societal needs and changing conditions.

The development of Muhammadiyah's thought is systematically formulated within the concept of Progressive Islam. Progressive Islam serves as the philosophical framework that unites the values of Al-Ma'un, *ijtihad*, and *tajdid* into a single

¹¹ Rahmadanti.

¹² Saefudin, "Transformasi Doktrin Al-Ma'un Terhadap Penguatan Gerakan Ekonomi Muhammadiyah."

¹³ Imamul Hakim, "Muhammadiyah's Framework on The Community Economic Empowerment," *FALAH: Jurnal Ekonomi Syariah* 3, no. 2 (2018).

¹⁴ Setyawan, "Pemikiran Ekonomi Terhadap (Studi Kasus Pada Amal Usaha Organisasi Masyarakat Muhammadiyah)."

¹⁵ Muhammad Luthfi Abdullah et al., "Pergerakan Muhammadiyah Sebagai Gerakan Agama, Ideologis, Sosial, Dan Ekonomi," *JPPI (Jurnal Penelitian Pendidikan Indonesia)* 9, no. 2 (2023): 1143.

movement paradigm oriented toward progress and social justice.¹⁶ This paradigm provides a normative foundation for Muhammadiyah to conceptualize economic activity as part of its religious mission aimed at building a just and humane civilization.

Within the framework of Progressive Islam, Muhammadiyah's economic movement is understood as a form of social worship that must be carried out in a rational, professional, and ethical manner. This orientation distinguishes Muhammadiyah's economic approach from practices that focus solely on profit accumulation.¹⁷ Accordingly, Muhammadiyah's philosophy positions economic activity as a means to achieve broader social and humanitarian objectives rather than as an end in itself.

The literature indicates that Muhammadiyah's ideological and philosophical foundations foster a movement that integrates religious values with social practice in a coherent manner. The integration of theological principles and social praxis is evident in the way Muhammadiyah manifests Islamic teachings through education, public services, and economic empowerment as part of its organizational mission.¹⁸ This approach explains why Muhammadiyah's economic movement is consistently associated with social, educational, and humanitarian dimensions within the broader framework of community development.¹⁹

Nevertheless, several studies also note challenges in implementing these philosophical values within economic practice. Challenges arise when idealistic values encounter demands for professionalism and efficiency in managing Muhammadiyah's economic institutions.²⁰ This condition suggests that Muhammadiyah's economic movement operates within an ongoing dialectic between values and practical realities, requiring continuous reflection and institutional renewal.

Overall, Muhammadiyah's economic movement is rooted in a strong ideological and philosophical foundation. The theology of Al Ma'un, the principles of *ijtihad* and *tajdid*, and the paradigm of Progressive Islam collectively form a philosophical framework that positions economic activity as an integral part of Muhammadiyah's religious and social mission.²¹ This foundation provides both moral and intellectual legitimacy for Muhammadiyah in developing an economic movement oriented toward justice, community empowerment, and social progress.

¹⁶ Arifin, "The Idea of Progress: Meaning and Implications of Islam Berkemajuan in Muhammadiyah."

¹⁷ Arifin.

¹⁸ Saefudin, "Transformasi Doktrin Al-Ma'un Terhadap Penguatan Gerakan Ekonomi Muhammadiyah."

¹⁹ Abdullah et al., "Pergerakan Muhammadiyah Sebagai Gerakan Agama, Ideologis, Sosial, Dan Ekonomi."

²⁰ Diska Arliena Hafni and Gina Harventy, "Membingkai Good Corporate Governance Amal Usaha Muhammadiyah Dalam Kerangka Amanah," *Jurnal Akuntansi & Investas* 14, no. 2 (2013): 86–95, www.muhammadiyah.or.id.

²¹ Abdullah et al., "Pergerakan Muhammadiyah Sebagai Gerakan Agama, Ideologis, Sosial, Dan Ekonomi."

Socio-Economic Empowerment within the Muhammadiyah Movement

Socio-economic empowerment constitutes a vital component of Muhammadiyah's economic movement, grounded in the recognition that poverty and inequality cannot be resolved through temporary assistance alone. Muhammadiyah conceptualizes empowerment as an effort to build community self-reliance so that individuals and groups are able to improve their economic conditions in a sustainable manner, in line with the organization's religious and social mission.²²

Within this approach, economic activities are positioned as instruments of social change aimed at strengthening community participation in economic life.

This perspective is rooted in the teachings of Al Ma'un, which emphasize social responsibility toward marginalized groups. Al Ma'un is understood as a doctrine that encourages concrete actions to improve the welfare of the poor rather than merely providing consumptive assistance.²³ Accordingly, socio-economic empowerment within Muhammadiyah is directed toward positioning communities as active subjects in the development process, enabling them to build capacity and confidence in managing their own economic potential.²⁴

In practice, Muhammadiyah's socio-economic empowerment initiatives are implemented through the management of community-based social funds that are directed toward productive activities. Economic programs are not limited to meeting short-term needs but focus on strengthening community economic capacity through support for small businesses and community-based economic activities.²⁵ This approach reflects an understanding of empowerment as a long-term process oriented toward structural improvements in socio-economic conditions.

The role of institutions is a crucial aspect of ensuring the sustainability of Muhammadiyah's socio-economic empowerment. Muhammadiyah's economic institutions are designed to manage empowerment programs in an organized and measurable manner, allowing their impacts to be experienced broadly by the community.²⁶ This institutional approach indicates that Muhammadiyah does not rely solely on individual initiatives but develops systems that support empowerment process sustainably.

In addition, Muhammadiyah's socio-economic empowerment strategy includes the development of long-term social assets, particularly through the management of productive waqf. Waqf is understood as an economic resource that can be optimized to support community empowerment initiatives when managed professionally and

²² Abdullah et al.

²³ Saefudin, "Transformasi Doktrin Al-Ma'un Terhadap Penguatan Gerakan Ekonomi Muhammadiyah."

²⁴ & Dina Munawaroh Riska Ayu Rahmatika, "Konsep Filantropi Islam Muhammadiyah Dalam," *Jurnal Ilmu Al-Qur'an Dan Keislaman* 13, no. 2 (2025): 8–10.

²⁵ Siti Nurapipah and Rafiq Zulkarnaen, "Studi Kasus Kemampuan Berpikir Kritis Matematis Siswa Dalam Menyelesaikan Soal Trigonometri," *Prosiding Sesiomadika*, 2019, 742–48.

²⁶ Mursal Mursal et al., "The Contribution of Amil Zakat, Infaq and Shadaqah Muhammadiyah (LAZISMU) Institutions in Handling the Impact of Covid-19," *Journal of Sustainable Finance and Investment* 13, no. 1 (2023): 118–24.

innovatively.²⁷ This perspective demonstrates Muhammadiyah's view of religious assets as forms of social capital with significant economic potential for the benefit of the wider community.

The management of productive waqf reflects Muhammadiyah's effort to link religious values with socio-economic development needs. Waqf is no longer perceived merely as a passive asset but as an instrument capable of generating sustainable economic benefits for society, especially in the fields of education, healthcare, and community economic development.²⁸ Consequently, Muhammadiyah's socio-economic empowerment initiatives are oriented toward long-term outcomes that extend beyond immediate or short-term interests.

In the context of Progressive Islam, Muhammadiyah's socio-economic empowerment initiatives seek to integrate Islamic values with rational and contextual approaches. Empowerment is not driven solely by religious motivation but is supported by careful planning and professional management to ensure meaningful social impact.²⁹ This integration illustrates Muhammadiyah's effort to respond to modern challenges without abandoning fundamental Islamic values.

Crisis situations, such as the COVID-19 pandemic, have further underscored the importance of empowerment-based approaches in Muhammadiyah's economic movement. During such periods, empowerment programs were directed toward helping communities sustain and recover their economic activities through support for small enterprises and the strengthening of local economies.³⁰ These responses demonstrate that Muhammadiyah's socio-economic empowerment strategies are adaptive and contextual to social changes.

Nevertheless, several studies also highlight challenges in the implementation of Muhammadiyah's socio-economic empowerment initiatives. These challenges include limitations in human resource capacity, inconsistencies in program implementation, and the need for continuous innovation in responding to evolving economic dynamics.³¹ Such challenges indicate that empowerment is an ongoing process that requires regular evaluation and sustained organizational commitment.

Overall, socio-economic empowerment within Muhammadiyah's economic movement reflects the organization's commitment to building community self-reliance and welfare through an integrated approach that combines religious values with social practice. Empowerment is understood not as an end in itself but as a continuous process to create an empowered, independent, and just society.³²

²⁷ Tsuroyya Putri Sa'adah et al., "Tinjauan Sistematis Model Wakaf Produktif Di Indonesia Dan Kontribusinya Terhadap SDGs," *Perisai: Islamic Banking and Finance Journal* 9, no. 1 (2025): 27-48.

²⁸ Rivai Veithzal Zainal, "Pengelolaan Dan Pengembangan Wakaf Produktif Oleh : Veithzal Rivai Zainal Anggota Dewan Pertimbangan Badan Wakaf Indonesia (BWI)," *Ziswaf* 9 (2016): 11.

²⁹ Arifin, "The Idea of Progress: Meaning and Implications of Islam Berkemajuan in Muhammadiyah."

³⁰ Steven Owen Purnawan et al., "Peranan Muhammadiyah Melalui Amal Usaha LAZISMU Dalam Pengembangan Aspek Ekonomi Pasca Pandemi," *Jesya* 7, no. 1 (2024): 511-19.

³¹ Hakim, "Muhammadiyah's Framework on The Community Economic Empowerment."

³² Abdullah et al., "Pergerakan Muhammadiyah Sebagai Gerakan Agama, Ideologis, Sosial, Dan Ekonomi."

Muhammadiyah Business Ventures as the Institutional Basis of the Economic Movement

Muhammadiyah Business Ventures (*Amal Usaha Muhammadiyah* or AUM) represent a distinctive characteristic of the Muhammadiyah movement in integrating religious values with social and economic practices. AUM has developed across various sectors, including education, healthcare, and social services, functioning both as instruments of public service and as means of strengthening organizational self-reliance.³³ The existence of AUM demonstrates that Muhammadiyah views social change as something that must be manifested through sustainably managed institutions.

Within the framework of Muhammadiyah's economic movement, AUM is not understood merely as a social service unit but also as part of the organization's broader economic strategy. Through AUM, Muhammadiyah seeks to build an economic base capable of supporting the continuity of the movement without relying entirely on external funding sources.³⁴ This perspective reflects the value of self-reliance that occupies an important place in Muhammadiyah's organizational thought.

The management of AUM requires the implementation of good governance to ensure that social and economic objectives can be pursued in a balanced way. Governance principles that emphasize accountability, transparency, and professionalism are considered essential for maintaining public trust in AUM as community-owned institutions.³⁵ With sound governance practices, AUM can fulfill its social mission without neglecting the need for economic sustainability.

In practice, AUM also functions as a learning space for the application of ethical economic values. Economic activities carried out by AUM are directed toward generating broad social benefits rather than merely pursuing financial profit.³⁶ This approach demonstrates that AUM functions as a means of manifesting Islamic values within daily economic practices.

The presence of *Amal Usaha Muhammadiyah* further represents a concrete manifestation of Muhammadiyah's role in delivering sustainable social services through institutional mechanisms. AUM is developed as a structured means of implementing the organization's social and religious missions, particularly in the fields of education, healthcare, and community services.³⁷ Through institutional management, AUM becomes a key instrument in maintaining the continuity of Muhammadiyah's social role within society.

Following the 47th Muhammadiyah Congress (*Muktamar*), the strengthening of AUM became a strategic agenda in the development of the organization's economic movement. AUM has been positioned as a central pillar in reinforcing

³³ Abdullah et al.

³⁴ Abdullah et al.

³⁵ Hafni and Harventy, "Membingkai Good Corporate Governance Amal Usaha Muhammadiyah Dalam Kerangka Amanah."

³⁶ Hakim, "Muhammadiyah's Framework on The Community Economic Empowerment."

³⁷ Abdullah et al., "Pergerakan Muhammadiyah Sebagai Gerakan Agama, Ideologis, Sosial, Dan Ekonomi."

Muhammadiyah's economic capacity while simultaneously expanding its contribution to socio-economic development.³⁸ This emphasis reflects growing institutional awareness of the strategic role of AUM in facing modern economic challenges.

Nevertheless, the management of AUM is not free from challenges. Several studies note that limitations in human resource capacity, inconsistencies in governance implementation, and the ability to adapt to changes in the economic environment remain key issues faced by AUM.³⁹ These challenges necessitate managerial renewal to ensure that AUM remains relevant and competitive.

In the context of Progressive Islam, AUM is viewed as a means of integrating Islamic values with modern managerial rationality. AUM is expected not only to achieve economic efficiency but also to uphold ethical and social orientations in all of its activities.⁴⁰ This perspective emphasizes that the success of AUM should not be measured solely by financial performance but also by its contribution to the well-being of the community.

The literature also highlights the importance of synergy between AUM and other Muhammadiyah economic instruments, such as philanthropy and entrepreneurship. Such synergy enables the creation of an integrated economic ecosystem in which social services, economic empowerment, and institutional strengthening mutually reinforce one another.⁴¹ Through this ecosystem, AUM does not stand alone but operates as part of an integrated economic strategy within the Muhammadiyah movement.

Overall, AUM functions as a key institutional instrument in Muhammadiyah's economic movement. Through professional management grounded in religious values, AUM contributes to strengthening organizational self-reliance and promoting sustainable community welfare.⁴² This role confirms that AUM is not merely a service unit but an integral component of Muhammadiyah's broader vision of building a progressive and socially oriented economic system.

Entrepreneurship and Community Economic Empowerment in Muhammadiyah

Entrepreneurship is one of the key approaches used by Muhammadiyah to encourage the economic independence of the Muslim community. Muhammadiyah views entrepreneurship as a means of strengthening the capacity of communities to manage independent economic activities, thereby improving welfare without long-

³⁸ Imamul Hakim and Muslikhati Muslikhati, "Model Gerakan Ekonomi Muhammadiyah Pasca Mukhtar Ke 47," *Jurnal Sinar Manajemen* 9, no. 2 (2022): 315–24.

³⁹ Hafni and Harventy, "Membingkai Good Corporate Governance Amal Usaha Muhammadiyah Dalam Kerangka Amanah."

⁴⁰ Arifin, "The Idea of Progress: Meaning and Implications of Islam Berkemajuan in Muhammadiyah."

⁴¹ Hakim, "Muhammadiyah's Framework on The Community Economic Empowerment."

⁴² Abdullah et al., "Pergerakan Muhammadiyah Sebagai Gerakan Agama, Ideologis, Sosial, Dan Ekonomi."

term dependence on social assistance.⁴³ Through this approach, entrepreneurship is positioned as part of a broader socio-economic empowerment strategy rather than merely an individual economic activity.

In the context of Muhammadiyah's movement, entrepreneurship is closely linked to Islamic values that emphasize work ethic, honesty, and social responsibility. Business activities are directed not only toward generating economic profit but also toward providing benefits for the surrounding social environment.⁴⁴ This perspective highlights the ethical dimension of Muhammadiyah's approach to entrepreneurship, distinguishing it from business practices that are oriented solely toward profit maximization.

The development of Muhammadiyah's entrepreneurial initiatives is largely pursued through education and mentoring approaches. Entrepreneurship education is considered essential for cultivating independence, creativity, and responsible risk-taking among community members.⁴⁵ Through mentoring programs, entrepreneurs receive continuous support in managing their businesses, enabling them to sustain and develop their enterprises amid economic challenges.

Entrepreneurship within Muhammadiyah is also strengthened through the utilization of the organization's extensive networks, extending to the local level. These networks facilitate knowledge exchange, market access, and business collaboration among community members.⁴⁶ By leveraging these networks, Muhammadiyah can build a community-based and mutually supportive entrepreneurial ecosystem.

The role of Muhammadiyah's institutions, including Muhammadiyah Business Ventures (AUM), further supports the development of community entrepreneurship. AUM serves as a space for learning and practicing the application of entrepreneurial values within social and institutional contexts⁴⁷. Through this role, entrepreneurship is not understood as an activity separate from the Muhammadiyah movement but as part of the association's economic strategy.

In practice, Muhammadiyah's entrepreneurial initiatives are largely directed toward the development of small and medium-sized enterprises that are closely connected to community livelihoods. This focus is considered relevant because small enterprises play a significant role in job creation and in strengthening local economies.⁴⁸ By prioritizing small-scale businesses, Muhammadiyah seeks to address issues of unemployment and economic vulnerability within society.

⁴³ Rahmadanti "Peranan Muhammadiyah Melalui Amal Usaha LAZISMU Dalam Pengembangan Aspek Ekonomi Pasca Pandemi."

⁴⁴ Abdullah et al., "Pergerakan Muhammadiyah Sebagai Gerakan Agama, Ideologis, Sosial, Dan Ekonomi."

⁴⁵ Rahmadanti, "Peran Muhammadiyah Dalam Pengembangan Kewirausahaan Di Kota Tangerang."

⁴⁶ Hakim, "Muhammadiyah's Framework on The Community Economic Empowerment."

⁴⁷ Imamul Hakim, Muhammad Sarif, and Aunur Rofiq, "Economic Empowerment through Muhammadiyah-Owned Enterprises A Case Study of Muhammadiyah Regional Board of Lumajang," *INFERENSI: Jurnal Penelitian Sosial Keagamaan* 16, no. 2 (2023): 195–216.

⁴⁸ Imamul Hakim and Muslikhati, "Model Gerakan Ekonomi Muhammadiyah Pasca Mukhtamar Ke 47."

Economic crisis situations, such as those experienced during the COVID-19 pandemic, have demonstrated the importance of entrepreneurship as a strategy for enhancing community economic resilience. Support for small business actors through training, mentoring, and network access formed part of Muhammadiyah's response to help communities cope with economic pressures.⁴⁹ This response shows that Muhammadiyah's entrepreneurship is adaptive to changing social conditions.

Despite its considerable potential, the development of entrepreneurship within Muhammadiyah also faces several challenges. These include capital limitations, the managerial capabilities of business actors, and readiness in facing competition and technological changes.⁵⁰ Such challenges indicate that entrepreneurship requires consistent institutional support to develop sustainably. In the context of Progressive Islam, entrepreneurship is understood as a means of fostering independent, empowered, and socially responsible individuals. Entrepreneurial activities are not directed solely toward profit generation but also toward the pursuit of shared prosperity that aligns with Islamic values.⁵¹ In this sense, entrepreneurship becomes an integral part of Muhammadiyah's mission to build a just and progressive society.

Overall, entrepreneurship within Muhammadiyah's movement functions as an essential instrument in community economic empowerment. Through education, mentoring, and institutional support, Muhammadiyah seeks to create an entrepreneurial ecosystem capable of enhancing economic independence and resilience within society.⁵² This approach underscores that entrepreneurship is not merely an economic activity but a component of Muhammadiyah's broader social and religious vision.

Contemporary Challenges of the Muhammadiyah's Economic Movement

The Muhammadiyah economic movement is currently faced with increasingly rapid social and economic changes. These changes include global economic dynamics, technological development, and shifts in societal needs and lifestyles. Such conditions require Muhammadiyah to continuously adjust its economic approaches in order to remain relevant and capable of responding effectively to community needs.⁵³

One of the most prominent contemporary challenges is the impact of economic crises on vulnerable social groups. The crisis triggered by the COVID-19 pandemic revealed the vulnerability of small business actors and low-income communities to economic shocks.⁵⁴ This situation demands that Muhammadiyah strengthen

⁴⁹ Purnawan et al., "Peranan Muhammadiyah Melalui Amal Usaha LAZISMU Dalam Pengembangan Aspek Ekonomi Pasca Pandemi."

⁵⁰ Rahmadanti, "Peran Muhammadiyah Dalam Pengembangan Kewirausahaan Di Kota Tangerang."

⁵¹ Arifin, "The Idea of Progress: Meaning and Implications of Islam Berkemajuan in Muhammadiyah."

⁵² Abdullah et al., "Pergerakan Muhammadiyah Sebagai Gerakan Agama, Ideologis, Sosial, Dan Ekonomi."

⁵³ Abdullah et al.

⁵⁴ Purnawan et al., "Peranan Muhammadiyah Melalui Amal Usaha LAZISMU Dalam Pengembangan Aspek Ekonomi Pasca Pandemi."

economic programs that are not merely emergency-oriented but also capable of supporting sustainable economic recovery.

In responding to these conditions, the role of Muhammadiyah's economic institutions has become increasingly important. Economic programs are directed toward maintaining the continuity of small enterprises and community economic activities while simultaneously strengthening local economic resilience.⁵⁵ This approach demonstrates that Muhammadiyah's economic movement seeks to balance short-term responses with long-term strategic planning.

Technological development and digitalization also constitute unavoidable challenges. Changes in production, distribution, and consumption patterns require Muhammadiyah to enhance human resource capacity so that communities can utilize technology productively and responsibly.⁵⁶ This challenge indicates that contemporary community economic empowerment is not only related to financial capital but also to the ability to adapt to technological change.

In addition to external challenges, Muhammadiyah also faces internal challenges in managing its economic movement. The consistent application of religious values in economic practices must be aligned with increasing demands for professionalism and managerial efficiency within Muhammadiyah's economic institutions.⁵⁷ The tension between value-based orientation and practical managerial requirements represents a significant issue in the present development of Muhammadiyah's economic movement.

Another challenge concerns the sustainability of economic empowerment programs. Several studies note that the success of Muhammadiyah's economic initiatives depends heavily on management quality, inter-institutional coordination, and the capacity for continuous program evaluation.⁵⁸ This finding suggests that contemporary challenges are not merely situational but also structural in nature.

Despite these challenges, Muhammadiyah possesses strong ideological and organizational capital to respond to present-day dynamics. The Progressive Islam paradigm provides a conceptual framework that encourages openness to renewal while maintaining core Islamic values.⁵⁹ This framework allows Muhammadiyah to view change as part of the movement's development process.

In this context, contemporary challenges are understood not merely as obstacles but also as a motivation for Muhammadiyah to adjust and strengthen its economic movement strategies. Social and economic dynamics encourage Muhammadiyah to treat change as a learning space for developing empowerment programs that are more

⁵⁵ Mursal et al., "The Contribution of Amil Zakat, Infaq and Shadaqah Muhammadiyah (LAZISMU) Institutions in Handling the Impact of Covid-19."

⁵⁶ Imamul Hakim and Muslikhati, "Model Gerakan Ekonomi Muhammadiyah Pasca Mukhtamar Ke 47."

⁵⁷ Hafni and Harventy, "Membingkai Good Corporate Governance Amal Usaha Muhammadiyah Dalam Kerangka Amanah."

⁵⁸ Hakim, "Muhammadiyah's Framework on The Community Economic Empowerment."

⁵⁹ Arifin, "The Idea of Progress: Meaning and Implications of Islam Berkemajuan in Muhammadiyah."

adaptive and responsive to community needs.⁶⁰ This perspective underscores the importance of innovation grounded in Islamic values in responding to contemporary challenges.

Overall, the contemporary challenges of the Muhammadiyah economic movement demand a balance between steadfast values and strategic flexibility. Muhammadiyah's economic initiatives must continue to adapt to changing socio-economic conditions while maintaining a strong commitment to justice and community welfare.⁶¹ Through this balance, Muhammadiyah has the opportunity to remain a significant player in strengthening the community economy both now and in the future.

CONCLUSION

Based on the results of the Systematic Literature Review of the analyzed articles, Muhammadiyah's economic movement is grounded in an ideological and Islamic intellectual foundation that positions economic activity as an integral part of the efforts to improve the social conditions of the Muslim community. This foundation is reflected in the theology of Al Ma'un, the principles of *ijtihad* and *tajdid*, and the paradigm of Progressive Islam, which serve as the basis for the development of Muhammadiyah's economic movement.

The review demonstrates that Muhammadiyah's economic movement is implemented through several interconnected forms, namely socio-economic empowerment programs, the management of Muhammadiyah Business Ventures (AUM) as an institutional base, and the development of community entrepreneurship. These dimensions function together as instruments for promoting economic independence and the sustainable enhancement of community welfare.

The findings also indicate that the management of Muhammadiyah's economic movement requires professional governance and the capacity to adapt to social and economic changes. Contemporary challenges such as economic crises, technological developments, and shifting community needs encourage Muhammadiyah to continuously adjust its economic movement strategies while maintaining its foundational values.

Overall, Muhammadiyah's economic movement represents a socio-religious practice that integrates Islamic values with institutional engagement and community economic empowerment in responding to present-day socio-economic challenges.

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⁶⁰ Arifin.

⁶¹ Abdullah et al., "Pergerakan Muhammadiyah Sebagai Gerakan Agama, Ideologis, Sosial, Dan Ekonomi."

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