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# IMPLEMENTATION OF RELIGIOUS MODERATION IN ECONOMIC DEVELOPMENT AND VILLAGE COMMUNITY EMPOWERMENT

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Abstract: This research discusses the strategic role of religious moderation in supporting populist economic development and village community empowerment. Religious moderation, which emphasizes the values of balance, tolerance, and justice, contributes to creating social cohesion which is an important foundation for inclusive and sustainable village development. Through a qualitative approach with a literature study method, this research examines scientific literature and policy documents to understand the relationship between moderate religious values and village socioeconomic dynamics. The results show that the implementation of religious moderation encourages collective participation, strengthens social capital, and facilitates cross-group cooperation in economic activities such as cooperatives, MSMEs, and BUMDes. Case studies in various villages show that religious forums, mutual cooperation activities, and education on the value of tolerance can increase solidarity and local economic productivity. Thus, religious moderation is not only relevant as a theological concept, but also as a practical approach to strengthen the capacity of village communities. This research recommends mainstreaming religious moderation in village development policies through collaboration between the government, religious leaders, and civil society to create peaceful, prosperous, and independent villages.

**Keywords**: Religious Moderation Religious Moderation, Economic Democracy, Village Community Empowerment.

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## INTRODUCTION

Religious moderation is an approach that emphasizes balance, tolerance and justice in understanding and practicing religious teachings. This concept is not only relevant in reducing the potential for religious-based conflicts, but also plays an important role in social life and community development, including in the context of people's economic development at the village level.¹ In the midst of the challenges of globalization and the socio-economic crisis that has hit various levels of society, the values of religious moderation can be a solid foundation for the

<sup>&</sup>lt;sup>1</sup> Akbar, Fadhil Hidayat, Farida Lailatul Fasha, and Faris Abdullah. "The Concept of Religious Moderation in a Review of the Qur'an and Hadith: Konsep Moderasi Beragama dalam Tinjauan Qur'an Hadis." *Bulletin of Islamic Research* 2.1 (2024): 59-80.

creation of a harmonious, inclusive and competitive village life. In the life of rural communities, interactions between people of diverse backgrounds are often influenced by religious values that live and develop locally.<sup>2</sup> Therefore, when these values are implemented in a moderate manner, a social atmosphere conducive to common development will be created.

In the Special Region of Yogyakarta, especially in rural areas, economic development still faces a number of challenges that cannot be ignored. Economic inequality, high poverty rates, low education levels, and limited access to economic resources and information are structural problems that need to be addressed in a systemic and participatory manner. The local government has set a number of development missions oriented towards empowering rural communities, such as strengthening the ideology of Pancasila, democracy and human rights, and building from the village and from below as a strategy for economic growth and equity.<sup>3</sup> However, the success of these programs is largely determined by the socio-cultural conditions of the community, including the extent to which social values such as tolerance, mutual cooperation, and social trust can be managed and internalized in daily life.

In this context, religious moderation becomes a strategic instrument that not only reduces extremism and intolerance, but also encourages the social cohesion needed in populist economic development. When villagers live a moderate religious life, they tend to be more open in accepting differences, easier to work with in collective activities, and have a high spirit of mutual cooperation. All of these values are important prerequisites in the development of a people-based economy, which places community participation as the main motor of development. A people's economy emphasizes the direct management of economic resources by the community, whether through cooperatives, micro, small and medium enterprises (MSMEs), or jointly managed agricultural and fisheries activities.<sup>4</sup> To ensure the sustainability and success of this system, it requires a stable social order and values that encourage collaboration, social responsibility, and concern for others.

Religious moderation is also closely related to village community empowerment efforts. Empowerment is basically a process of building individual and collective capacity to be able to manage life independently and with dignity. When the values of moderation are internalized, village communities will not

<sup>&</sup>lt;sup>2</sup> PALILI, SAMPARA, and ANA CAHAYANI FATIMAH. "EKSPLORASI TATANAN PENDIDIKAN AGAMA DAN PRILAKU SIPAKALEBBI MASYARAKAT MULTIAGAMA DUSUN BORONGBULO DESA PARANGLOMPOA KECAMATAN BONTOLEMPANGAN KABUPATEN GOWA SULAWESI SELATAN." *LEARNING: Jurnal Inovasi Penelitian Pendidikan dan Pembelajaran* 5.1 (2025): 155-163.

<sup>&</sup>lt;sup>3</sup> Anggreni, Fatikah Desi. *Analisis Pengaruh Pendidikan, Upah Minimum, Pengangguran, dan Indeks Pembangunan Manusia Terhadap Tingkat Kemiskinan di Daerah Istimewa Yogyakarta*. Diss. Universitas Islam Indonesia, 2025.

<sup>&</sup>lt;sup>4</sup> Sinta, Sinta, and Agni Destriani. "Konsep Ekonomi Kerakyatan Dalam Pemberdayaan Usaha Mikro, Kecil, Dan Menengah." *Nusantara: Jurnal Pendidikan, Seni, Sains dan Sosial Humaniora* 2.02 (2025).

only respect differences in views and beliefs, but also have strong social ethics in building work relationships, forming economic networks, and resolving conflicts peacefully.<sup>5</sup> For example, there are many joint business activities in the village that require mutual trust and commitment, such as farmer cooperatives, joint business groups, and village fund management groups. In these activities, success is not only determined by technical and managerial aspects, but also by the social values lived by its members.

In some cases, social tensions or disputes rooted in differences in beliefs or groups can disrupt the process of village economic development.<sup>6</sup> Therefore, systematic and sustainable strengthening of religious moderation is essential to create a peaceful and productive village atmosphere. The government, religious leaders, educational institutions, and civil society organizations need to work together in instilling inclusive religious values, encouraging interfaith dialogue, and strengthening moderation-based character education at the village level.<sup>7</sup> In this way, villages will not only become centers of economic production and distribution, but also laboratories of harmonious and civilized social life.

Based on these conditions and arguments, this research is designed to answer the main question: how can the implementation of religious moderation support the development of populist economy and empowerment of rural communities? This question is important to answer given the limited number of studies that explicitly link the practice of religious moderation with economic dynamics and social empowerment at the village level. In addition, a deeper understanding of the mechanisms, actors and local contexts that influence the effectiveness of religious moderation in supporting the village development agenda is needed.

This research aims to examine the role and mechanism of religious moderation in building a populist economy and empowering rural communities in a sustainable manner. This objective will be achieved through a literature study that examines theories, research results, and best practices that have been carried out in various regions. With this approach, it is expected that a conceptual framework and practical recommendations can be formulated that can be applied by policy makers and village development actors in Yogyakarta and other regions. This research not only contributes to the development of academic studies on

<sup>&</sup>lt;sup>5</sup> Machzumy, Machzumy, and Muhammad Ihsan. "Pendampingan Astrotourism untuk Meningkatkan Moderasi Beragama Masyarakat Desa Tanoh Alas Aceh Tenggara menggunakan Pendekatan Asset Based Community Development: Astrotourism Assistance to Increase Religious Moderation in the Community of Tanoh Alas Village, Southeast Aceh using an Asset Based Community Development Approach." *PengabdianMu: Jurnal Ilmiah Pengabdian kepada Masyarakat* 9.11 (2024): 2120-2130.

<sup>&</sup>lt;sup>6</sup> Muhammad, H. Afif. Agama dan Konflik Sosial: Studi Pengalaman Indonesia. Marja, 2024.

<sup>&</sup>lt;sup>7</sup> Srikandi, Khodijah, Beni Ahmad Saebani, and Muhammad Amin. "Tinjauan Siyasah Dusturiyah Tentang Peran Kementerian Agama dalam Mengimplementasikan Program Moderasi Beragama (Studi Kasus di Kabupaten Bekasi)." *Ranah Research: Journal of Multidisciplinary Research and Development* 7.4 (2025): 2382-2400.

religious moderation, but also provides a normative and strategic footing for the formulation of sustainable development policies based on local values and cultur.

## RESEARCH METHODS

This research uses a qualitative method with a *library research* approach as its main strategy. This approach was chosen because the research aims to examine and review various scientific literature and official documents that discuss religious moderation, populist economy, and village community empowerment, especially in the context of regional development policies.<sup>8</sup> Literature review allows researchers to build a strong theoretical and conceptual framework by referring to a variety of relevant and academically tested sources.

The data sources used in this research consist of primary and secondary literature. Primary literature includes current scientific books and journals that directly address the theme of religious moderation and economic development of rural communities. Secondary literature includes government policy documents, research reports from official institutions, and other publications that provide empirical and normative context related to the issues studied.

Data collection techniques were carried out by searching the literature through various academic databases such as Google Scholar, DOAJ, SINTA, and digital library portals, both national and international. Researchers used relevant and focused keywords to filter out valid and credible sources. The collected data were analyzed using content and thematic analysis methods. Content analysis was used to decipher the meaning of the content of relevant literature, while thematic analysis was used to identify patterns, main themes, and linkages between the concept of religious moderation and the development of populist economy and village empowerment.

## RESULTS AND DISCUSSION

## Implementation of Religious Moderation in the Village Context

The implementation of religious moderation in the village context shows a strategic role in strengthening social cohesion and supporting populist economic development. This research reveals that the practice of religious moderation at the village level not only strengthens relations between citizens of different religious backgrounds, but also catalyzes community economic empowerment.

In Suka Jadi Village, North Sumatra, the application of religious moderation values through activities such as seminars, socialization and education has succeeded in raising community awareness of the importance of tolerance and harmony. These activities involved various elements of the community, including religious leaders and the younger generation, which contributed to increased cooperation in various aspects of life, including the economy. The active participation of the community in these activities reflects an

<sup>&</sup>lt;sup>8</sup> Andriani, W. (2021). Penggunaan metode sistematik literatur review dalam penelitian ilmu sosiologi. *Jurnal PTK Dan Pendidikan*, 7(2).

increased understanding and application of religious moderation that has a positive impact on community welfare.<sup>9</sup>

Meanwhile, in Rinjani Village, East Luwu, the practice of religious moderation is realized through joint religious activities, mutual cooperation, and commemoration of national holidays. The village community shows mutual acceptance of differences, which creates inter- religious harmony. The implementation method of religious moderation in this village involves various social activities that strengthen interactions between residents, thus supporting the creation of a harmonious environment conducive to local economic development.

In Tumbang Liting Village, Central Kalimantan, strengthening religious moderation is done through Pasraman teaching, recitation, and church services. These activities aimed to increase community understanding of religious moderation and prevent potential divisions due to misunderstandings. As a result, there were significant changes in the understanding of religious moderation as well as increased community participation in religious activities, which had an impact on strengthening harmony and cooperation in village economic development.<sup>10</sup>

These practices show that the implementation of religious moderation in Indonesian villages can be a strong foundation for building a harmonious and prosperous society. Through an inclusive and participatory approach, the values of religious moderation can be internalized in the daily lives of villagers, which in turn supports the development of a populist economy and sustainable community empowerment.

# Religious Moderation as a Foundation for Economic Development

Religious moderation plays a significant role in strengthening the foundations of populist economic development in rural communities. The core values of religious moderation- such as tolerance, balance (tawazun), justice (i'tidal), deliberation (shura), and non-violence- contribute to the creation of a harmonious, inclusive, and productive social order. In the context of culturally and religiously heterogeneous village communities, these values prove to be key elements in building social trust and enhancing collective participation in economic activities.

Religious moderation in practice fosters mutual respect and respect for differences. This can be seen in several case studies, such as in Nglinggo Village, Kulon Progo Regency, Yogyakarta, where interfaith collaboration in the activities of farmer groups and village cooperatives runs harmoniously and efficiently due

<sup>&</sup>lt;sup>9</sup> Siswanto, et al. "Kampung Moderasi Beragama; Merajut Kerukunan Umat Beragama Melalui Modal Sosial Di Desa Tempur". *NAJWA: Jurnal Pengabdian Dan Pemberdayaan Masyarakat*, vol. 2, no. 1, Apr. 2024, pp. 1-13

<sup>&</sup>lt;sup>10</sup> Vienletia, Raisa, et al. "Penguatan Moderasi Beragama melalui Pengajaran Pasraman, Pengajian, dan Pelayanan Gereja di Desa Tumbang Liting, Kalimantan Tengah." *Jurnal Abdi Masyarakat Indonesia* 4.6 (2024): 1763-1774.

to a culture of dialogue and deliberation among residents. This social harmony encourages a stable economic climate and fosters a shared entrepreneurial spirit. Similar results were found in a study by Widiyanti (2022), which showed that interfaith harmony encouraged cross-sectoral cooperation in the development of local potential such as village tourism and home industries.

On the other hand, the religious moderation approach has also proven to strengthen social capital, which is needed in the development of the people's economy. Social capital in the form of trust networks, social norms, and mutual cooperation values are formed through healthy social interactions and based on the spirit of diversity. For example, research by Arum (2022) in the context of Desa Berdaya in Bantul Regency found that moderate Islamic values are the basis for strengthening cooperative-based Islamic economic communities. A shared awareness of the values of justice and balance helped this community design a participatory economic system that is inclusive for all levels of society, including women and groups.<sup>11</sup>

Religious moderation is also a catalyst in strengthening the relationship between the village government and the community. Village governments that adopt moderation values in governance tend to be more open to community aspirations, and are able to manage social conflicts peacefully. A study by Faradillah (2024) in several villages in Sleman showed that an inclusive and dialogic approach in village development deliberations had a direct impact on the success of economic empowerment programs, such as entrepreneurship training and BUMDes development.<sup>12</sup>

The findings of this study confirm that religious moderation is not just a theological discourse, but can be a concrete social framework in village development. In the post-COVID-19 economic situation, these values have proven to be able to build social solidarity, minimize horizontal conflicts, and strengthen the economic resilience of village communities. The application of the value of moderation can also be seen in the educative approach taken by religious leaders, village facilitators, and interfaith communities in providing economic counseling to the community collaboratively.

As a concrete form, some of the religious moderation-based economic empowerment programs identified in this study include: interfaith community-based skills training, the establishment of justice value-based cooperatives, strengthening the role of houses of worship as centers of local economic development, and facilitating economic dialogue involving religious leaders, traditional leaders, and interfaith youth.

Thus, the results of this study strengthen the argument that the values of

<sup>&</sup>lt;sup>11</sup> Arum, Fitri Atur. "Lembaga Pemberdayaan Masyarakat Desa (LPMD) Dalam Penerimaan Bantuan Desa." *Staatsrecht: Jurnal Hukum Kenegaraan dan Politik Islam* 2.1 (2022).

<sup>&</sup>lt;sup>12</sup> Faradillah, Lailatul. Sinergitas quintuple helix dalam pengembangan pariwisata berkelanjutan Di Agrowisata Kebun Teh Gunung Gambir Kabupaten Jember. Diss. UIN Mataram, 2024.

religious moderation are very strategic in populist economic development at the village level. The implementation of religious moderation not only bridges the existing socio-cultural diversity, but also becomes a driving force for an equitable and sustainable economy. Religious moderation, in this context, functions as a bridge between the vision of religious morality and the economic needs of grassroots communities.

## Community Empowerment through Religious Moderation Approach

The application of religious moderation in village community empowerment contributes significantly to increasing community capacity in managing economic and social resources independently. In the context of rural communities in Yogyakarta - known for their socio-cultural diversity and religiosity - religious moderation is not only a theological approach, but also a strategic one in promoting inclusive and sustainable socio-economic development.

Religious moderation, which emphasizes tolerance, non-violence, and acceptance of diversity, is an important foundation in building the collective consciousness of village communities. Research conducted by Pora (2023) shows that the values of religious moderation are able to strengthen social cohesion and form cross-community solidarity, which is a key requirement for the success of locally-based economic empowerment programs. This solidarity encourages the community to more actively participate in joint activities, such as village cooperatives, entrepreneurship training, and the development of local potential-based MSMEs.<sup>13</sup>

Case studies in several villages in Sleman and Bantul show that the integration of moderate religious values in community forums, village recitations and gotong royong activities has strengthened the collective spirit in solving common economic problems. In Wukirsari village, Bantul, entrepreneurship training combined with education on tolerance and anti-discrimination values yielded positive results: participants not only formed small business groups, but also supported each other across religious and social backgrounds. This shows that diversity awareness can be transformed into a productive force to drive the growth of the people's economy.<sup>14</sup>

In Tanjung Mulia village, strengthening religious moderation through activities such as Muharram celebrations, children's recitation, and sustainable gotong royong has succeeded in reducing inter-ethnic exclusivism and increasing community participation in religious activities. This shows that religious moderation can be an effective tool in building social and economic solidarity in village communities.

<sup>&</sup>lt;sup>13</sup> Pora, Sudarmin Tandi. "Manajemen Pendidikan Agama Kalangan Minoritas Muslim di Tengah Pluralisme Masyarakat Toraja." *Didaktika: Jurnal Kependidikan* 12.4 (2023): 535-546.

<sup>&</sup>lt;sup>14</sup> Yusuf, Arif Maulana. Analisis Kolaborasi Aktor Quadruple Helix dalam Pemberdayaan Ekonomi Berbasis Masjid di Yogyakarta (Studi Kasus: Masjid Syuhada). Diss. Universitas Islam Indonesia, 2023.

For example, the "Mosque-Based Economy" program developed in Kulon Progo shows how places of worship have become centers of community empowerment-not only for religious activities, but also as training centers, local food production, and sharia cooperatives. With an inclusive approach, the mosque involves all elements of the community, including women and the younger generation, regardless of social background. The values of mutual cooperation, social justice, and empathy based on the principle of moderation are the main driving force for the success of this program.<sup>22</sup>

Thus, it can be concluded that religious moderation is not just an abstract concept, but has become a practical framework in building a people's economy and strengthening the independence of rural communities. Through this approach, development is not only seen as an economic process, but also as an effort to strengthen the values of togetherness, tolerance, and social sustainability. Therefore, mainstreaming religious moderation in village development programs is a strategic step towards welfare and social justice at the grassroots level.

## **CONCLUSIONS**

The implementation of religious moderation plays an important role in strengthening populist economic development and empowering rural communities. Values such as tolerance, justice, and balance become the foundation for creating a harmonious social atmosphere, enabling collaboration between citizens from various backgrounds to work together in economic activities. In the context of village communities, religious moderation facilitates more inclusive social relations, strengthens mutual cooperation, and forms social capital that supports the growth of cooperatives, MSMEs, and community-based empowerment programs. This research shows that the practice of religious moderation, whether through religious forums, mutual cooperation activities, or strengthening tolerance values, has a significant impact on collective participation and local economic productivity. In addition, the integration of moderate religious values in the community empowerment process creates an environment that supports openness, non-violence and solidarity. Thus, religious moderation is not only a spiritual approach, but also a concrete social strategy in building independent, just and competitive village communities. Religious moderation bridges diversity and development, making it an effective tool in creating sustainable socio-economic change at the grassroots.

The government and related institutions are advised to integrate the values of religious moderation in village development programs through training, education, and strengthening local institutions. Support for cooperatives, MSMEs, and community-based business groups needs to be improved by providing access to financing, management training, and product marketing. Collaboration between religious leaders, youth, and civil society is also important to strengthen social cohesion and the effectiveness of empowerment programs. Religious moderation needs to be the main framework in development policies to create inclusive, harmonious, and economically and socially independent village communities.

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