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## BEYOND MORAL COMPLIANCE: FAITH, TRUST, AND SOCIO-ECONOMIC BONDING IN INDONESIAN ISLAMIC MICROENTERPRISES

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### ABSTRACT

This article examines how faith-based ethical norms generate economic resilience through socio-economic bonding in Indonesian Islamic microenterprises. A qualitative case study was conducted on a traditional food enterprise in Sampang, East Java, operating continuously from 1995 to 2025. Data were collected through semi-structured interviews with eight participants (owner, family members, repeat and occasional customers), non-participant observation, and document analysis. Using reflexive thematic analysis and process tracing, the study identifies three interconnected mechanisms: faith-driven trust formation, ethical reciprocity, and community embeddedness. The findings demonstrate that repeated ethical conduct—pricing transparency, product consistency, and courteous service—accumulates into relational capital that stabilizes customer loyalty and generates word-of-mouth diffusion. This mechanism enhances enterprise resilience against external shocks such as seasonal fluctuations, though the single-case design limits generalizability. The study contributes to Islamic economics by conceptualizing ethical practice as a relational capital formation process, offering a grassroots perspective on microenterprise sustainability in Muslim-majority contexts.

**Keywords :** *socio-economic bonding; ethical norms; relational capital; Islamic microenterprise; Indonesia.*

### ABSTRAK

Artikel ini mengkaji bagaimana norma etika berbasis nilai agama menghasilkan ketahanan ekonomi melalui ikatan sosial-ekonomi dalam usaha mikro Islam di Indonesia. Studi kasus kualitatif dilakukan pada sebuah usaha makanan tradisional di Sampang, Jawa Timur, yang beroperasi secara berkelanjutan dari tahun 1995 hingga 2025. Data dikumpulkan melalui wawancara semi-terstruktur dengan delapan partisipan (pemilik, anggota keluarga, pelanggan tetap dan musiman), observasi non-partisipan, dan analisis dokumen. Dengan menggunakan analisis tematik reflektif dan penelusuran proses, studi ini mengidentifikasi tiga mekanisme yang saling terkait: pembentukan kepercayaan berbasis nilai agama, timbal balik etis, dan keterlekatan komunitas. Temuan menunjukkan bahwa perilaku etis berulang—transparansi harga, konsistensi produk, dan pelayanan santun—terakumulasi menjadi modal relasional yang menstabilkan loyalitas pelanggan dan menghasilkan promosi dari mulut ke mulut. Mekanisme ini meningkatkan ketahanan usaha terhadap guncangan eksternal seperti fluktuasi musiman, meskipun desain studi kasus tunggal membatasi generalisasi. Studi ini berkontribusi pada ekonomi Islam dengan mengkonseptualisasikan praktik etis sebagai proses pembentukan modal relasional, menawarkan perspektif akar rumput tentang keberlanjutan usaha mikro di konteks mayoritas Muslim.

**Kata Kunci :** *ikatan sosial-ekonomi; norma etika; modal relasional; usaha mikro Islam; Indonesia.*

## INTRODUCTION

Micro, small, and medium enterprises (MSMEs) constitute the backbone of Muslim-majority economies globally. According to the World Bank (2023), MSMEs account for approximately 90% of all businesses and more than 50% of employment worldwide. In Indonesia, this sector is even more pronounced: MSMEs represent over 99% of total enterprises, contribute around 60% to national GDP, and absorb approximately 97% of total employment (Sudrajat et al. 2023). Within this ecosystem, microenterprises—businesses with minimal capital, limited formalization, and strong community embeddedness—dominate numerically yet face chronic structural vulnerabilities including restricted access to financial capital, exposure to demand volatility, and weak institutional support (Tambunan 2021; Zuan et al. 2024).

Recent scholarship on small-firm resilience indicates that micro-level actors in resource-constrained environments rely heavily on relational and informal mechanisms to survive external shocks (Doern et al. 2022; Fletcher et al. 2026). Fletcher et al. (2026) conducted a longitudinal study of SMEs navigating polycrisis. They demonstrate that social capital—manifested through stakeholder trust, reciprocity, and shared values—plays a critical role in organizational continuity during instability. These findings underscore the importance of understanding how relational assets function as substitutes for conventional competitive advantages in microenterprise settings.

The gap between normative discourse and empirical reality is increasingly significant. Siregar et al. (2025), in their study of halal MSMEs in Medan, found that while human, structural, and relational capital significantly influence financial performance, spiritual capital did not have a statistically significant direct effect. Yet qualitative insights revealed that spiritual capital strengthens ethical values and trust, indirectly supporting relational capital. This suggests that the relationship between faith-based ethics and economic outcomes may operate through indirect, relational pathways that conventional quantitative models fail to capture. Similarly, Ade et al. (2024) demonstrate that partnership morality grounded in Islamic values substantially enhances business performance among batik MSMEs in Central Java, with relationship quality serving as a critical mediating mechanism.

Islamic marketing scholarship has increasingly recognized the importance of trust and relational dynamics in Muslim consumer behavior. Ambak et al. (2025) propose an integrated framework grounded in Commitment-Trust Theory, highlighting that trust—rooted in halal certification, brand credibility, and online transparency—serves as a primary

driver of consumer loyalty. Bachtiar et al. (2025) extend this analysis to halal food traceability, demonstrating that consumer acceptance depends significantly on perceived trustworthiness and value alignment. However, these studies predominantly examine formal sectors with certified products and digital infrastructure, leaving mechanisms operating in informal, non-digitized microenterprises largely unexplored.

**Table : 1 Synthesis of Literature and Research Position**

<b>Authors (Year)</b>	<b>Focus</b>	<b>Method</b>	<b>Key Findings</b>	<b>Gap Addressed</b>
Siregar et al. (2025)	Intellectual capital in halal MSMEs	Quantitative	Relational capital significantly influences performance	Does not trace accumulation processes
Ade et al. (2024)	Islamic morality partnership	Quantitative	Personal openness enhances relationship quality	Does not examine long-term mechanism
Ambak et al. (2025)	Muslim consumer loyalty	Quantitative	Trust drives loyalty in formal sectors	Informal sector unexplored
Fletcher et al. (2026))	Social capital in polycrisis	Longitudinal	Trust and reciprocity ensure continuity	Not specific to faith-based contexts
<b>This study</b>	<b>Socio-economic bonding</b>	<b>Qualitative case study</b>	<b>Mechanism of relational capital accumulation</b>	<b>Process, not merely correlation</b>

The theoretical landscape reveals a structural tension. On one hand, Islamic economic research frequently asserts that ethical adherence strengthens long-term sustainability. On the other hand, mainstream resilience studies emphasize capital access, innovation capacity, and market diversification as primary drivers of enterprise survival (Arvidsson & Dumay 2022; OECD 2021). What remains under-theorized is the mechanism through which faith-embedded ethical practices translate into durable economic continuity at the microenterprise level.

Within Islamic economics discourse, scholars have begun to examine *ukhuwwah* (brotherhood) and community solidarity as social assets (Hassan et al., 2021). Khairunnisa et al. (2026) explore Maqashid al-Shariah as an integrative framework for responding to

economic crises, proposing that the five core principles (*hifz al-din, al-nafs, al-'aql, al-nasl, al-mal*) can serve as evaluative criteria for economic practice. Yet such analyses typically conceptualize Islamic values as normative benchmarks rather than systematically traceable strategic processes. Furthermore, studies focusing on halal certification often treat Islamic legitimacy as a signaling device rather than a relationally accumulated asset (Amalia & Andni 2023; Usman et al. 2026).

The concept of relational capital offers a promising analytical lens. Siregar et al. (2025) define relational capital as knowledge embedded in relationships with external stakeholders, including customers, suppliers, and community members. Ade et al. (2024) extend this framework by introducing “Islamic Morality Partnership,” characterized by equality, mutual benefit, and sustainability. These studies suggest that faith-based ethical conduct may function not merely as normative compliance but as a mechanism for accumulating relational assets. However, existing research predominantly employs quantitative methodologies that capture correlations rather than tracing the processes through which ethical practices accumulate into relational capital over time.

This study addresses the identified gap by advancing the concept of socio-economic bonding, defined as a structured relational mechanism comprising three interconnected elements: (1) faith-driven trust formation, (2) ethical reciprocity in exchange, and (3) community embeddedness that generates repeated transactions and informal promotion. Through qualitative empirical investigation of a faith-embedded microenterprise operating in Sampang, East Java, this research demonstrates how these elements coalesce into accumulated relational capital that stabilizes demand, reinforces customer loyalty, and enhances resilience under structural constraints.

The study is guided by three research questions: 1) How are Islamic ethical principles enacted in the everyday transactions of a faith-embedded microenterprise? 2) Through what mechanisms do these enacted practices generate relational capital and contribute to enterprise sustainability?; 3) How can the relationship between faith-based ethics and economic continuity be conceptualized as a capital formation process?

By shifting the analytical focus from moral rhetoric to relational capital, this study contributes to Islamic economics in three ways. First, it provides a mechanism-based explanation linking Sharia-consistent exchange norms to economic sustainability, addressing the theoretical gap identified by Santoso (2025) and Siregar et al. (2025). Second, it integrates Islamic ethical discourse with relational capital theory, responding to calls for

interdisciplinary approaches that capture the specificity of faith-based economic behavior (Ade 2024; Ambak et al. 2025). Third, it offers a contextually grounded model illuminating how microenterprises in resource-constrained settings sustain continuity without reliance on formal marketing infrastructure or institutional certification, contributing to policy discussions on MSME development in Muslim-majority contexts (Usman et al. 2026; Zuan et al. 2024).

## RESEARCH METHOD

This study employs a qualitative case study design to investigate how faith-based ethical norms generate economic resilience through socio-economic bonding in Indonesian Islamic microenterprises. A case study approach enables examination of socially embedded economic behavior in its natural setting while facilitating mechanism-based explanation of sustainability processes (Mtisi 2022; Rule & Yazan 2024). The research adopts an interpretivist orientation, exploring how Sharia-compliant practices function as lived relational mechanisms shaping economic resilience, moving beyond instrumentalist approaches toward understanding ethical principles as generative mechanisms in specific socio-cultural contexts (Ahmed 2024; Santoso 2025).

The research was conducted in Rapa Laok Village, Omben District, Sampang Regency, East Java, Indonesia, where a traditional food microenterprise specializing in *rujak-tabu* has operated continuously for three decades (1995–2025). The case was selected purposively based on theoretical criteria (Campbell et al. 2020): sustained operation despite structural constraints; community-based market context enabling observation of relational dynamics; explicit articulation of Islamic values by the owner; and absence of formal marketing infrastructure, allowing examination of how relational mechanisms substitute for conventional competitive assets (Fletcher et al. 2026). The researcher maintained prolonged field presence from January to March 2025, engaging with the community and observing daily transactions to develop contextual understanding (Mansur 2021; Olmos-Vega et al. 2023).

The participants comprised the enterprise owner, two family members involved in operations, three repeat customers (patronage 10-20 years), and two occasional customers (2-5 years). This purposive sampling captured multiple relational perspectives on enterprise sustainability (Campbell et al. 2020). Inclusion criteria for customer informants required at

least two years of purchasing experience. Data collection continued until thematic saturation was reached (Braun & Clarke 2022; Guest et al. 2020)

**Table : 2 Research Participants**

<b>Code</b>	<b>Role</b>	<b>Gender</b>	<b>Age Range</b>	<b>Relationship Duration</b>
P1	Owner	Female	50–60 years	30 years (founder)
P2	Family member (son)	Male	25–35 years	15 years involved
P3	Family member (daughter)	Female	20–30 years	10 years involved
P4	Repeat customer	Female	40–50 years	>20 years
P5	Repeat customer	Male	50–60 years	>15 years
P6	Repeat customer	Female	30–40 years	10 years
P7	Occasional customer	Male	20–30 years	2 years
P8	Occasional customer	Female	35–45 years	5 years

Data were generated through three complementary methods enabling triangulation (Schlunegger et al. 2024). Semi-structured interviews (45-90 minutes) with all eight participants explored Sharia-compliant practices, trust-building, reciprocity norms, customer retention, and sustainability drivers. Interviews were conducted in Madurese/Indonesian, audio-recorded, transcribed verbatim, and anonymized. Key terms were retained in the original language during analysis to preserve conceptual nuance (Temple & Young 2004).

Non-participant observation (20 sessions, 40 hours) captured service routines, pricing transparency, complaint handling, interpersonal warmth, and word-of-mouth interactions. Field notes were produced immediately after each session using a standardized template (Flick 2022). Documentary materials—pricing records, informal accounts, photographs, community documents, and social media mentions—contextualized and corroborated interview and observation accounts (Bowen 2022).

Data analysis employed reflexive thematic analysis combined with process tracing (Beach & Pedersen 2019; Braun & Clarke 2022). Thematic analysis followed six phases: familiarization; open coding; initial theme generation; theme review; theme definition; and

analytic narrative production. Coding was both inductive and theory-informed, sensitized by Islamic ethics (*ṣidq*, *ʿadl*, *amānah*, *ikhlāṣ*) and relational capital theory.

Process tracing explicated causal pathways connecting faith-driven trust formation, ethical reciprocity, and community embeddedness to relational loyalty and economic continuity (Beach & Pedersen 2019). The analysis specified initial conditions (everyday ethical practices), intervening mechanism (socio-economic bonding), outcome (relational loyalty and sustainability), and empirical evidence for each causal link. Negative case analysis strengthened internal validity by actively seeking instances of weakened trust, customer dissatisfaction, or relational tension (Abdillah et al. 2021). The researcher probed negative experiences, observed potential tensions, and asked about customers who no longer patronize the enterprise.

Several strategies enhanced trustworthiness (Johnson et al. 2025). Triangulation across methods and sources improved credibility (Flick 2022). Member checking with three key participants confirmed interpretive accuracy (Motulsky 2021). Peer debriefing with academic colleagues provided external scrutiny of emerging interpretations (Johnson et al. 2025). Reflexive memoing documented analytic decisions and researcher positionality (Olmos-Vega et al. 2023). An audit trail maintained comprehensive documentation of all research steps (Ahmed 2024). Thick description supports transferability, enabling readers to assess applicability to similar contexts (Abdillah et al. 2021).

All participants provided written informed consent with assurances of voluntary participation and confidentiality. Identifying information was anonymized, and digital data were securely stored. Community sensitivity was maintained throughout (Motulsky 2021).

This study has several limitations. The single-case design limits generalizability, requiring testing across diverse settings (Gerring 2011). Retrospective accounts over three decades are subject to memory limitations (Beach & Pedersen 2019). The study focused on a single enterprise with a female owner; gender dynamics warrant further investigation. The sample predominantly included participants with positive relationships; future research should examine disconfirmed relationships (Flick 2024). Economic outcomes beyond sustainability were not systematically measured. Despite limitations, methodological rigor provides a credible foundation for the proposed Socio-Economic Bonding Model.

## FINDINGS AND DISCUSSION

This section presents the empirical findings from a case study of a traditional food microenterprise in Sampang, East Java, followed by an integrated discussion that situates these findings within the broader theoretical literature. The presentation follows the sequential logic of the Socio-Economic Bonding Model, tracing how faith-embedded ethical practices accumulate into relational capital that sustains enterprise continuity.

### **The Enterprise Context: Sustained Operation Under Structural Constraints**

The microenterprise under study has operated continuously for three decades (1995–2025), specializing in *rujak-tabu*, a traditional Indonesian dish combining fruit and fried tofu with peanut sauce. The business is owned and operated by a woman in her fifties (pseudonym: Bu Hindun), who established the enterprise following family tradition. The enterprise operates from a modest permanent structure adjacent to the owner's residence in Rapa Laok Village, serving customers from the local community and surrounding areas.

Despite its longevity, the enterprise remains structurally small and minimally digitized. It has no social media presence, no formal advertising, and relies entirely on cash transactions. During the rainy season, sales decline by approximately fifty percent, with average daily sales dropping to around one hundred portions. This vulnerability to weather fluctuations illustrates the structural fragility typical of microenterprises in resource-constrained environments (Doern et al. 2022). Yet the enterprise persists. The question guiding this research is not how the firm grows aggressively, but how it sustains continuity under these constraints.

### **Faith-Driven Ethical Conduct as Lived Practice**

The findings reveal that the enterprise's daily operations are consistently framed around Islamic ethical principles, articulated by the owner and recognized by customers as integral to the business identity. These principles include truthfulness (*ṣidq*), trustworthiness (*amānah*), fairness (*ʿadl*), sincerity (*ikhlāṣ*), and service orientation (*khidmah*). Importantly, these principles are not invoked as formal doctrine but enacted through observable routines.

The owner explained how honesty permeates her transactions:

*"I always tell customers the truth about the ingredients. If the tofu is not fresh today, I tell them before they buy. I cannot hide anything because Allah sees everything. Even if they wouldn't notice, I would know, and that would be a sin."* (P1, Owner)

This statement reflects what Santoso (2025) describes as the paradigmatic integration of Islamic values into business practice, where ethical conduct flows from theological

consciousness rather than instrumental calculation. The owner's reference to divine surveillance (*Allah sees everything*) indicates that ethical behavior is motivated by religious accountability, not merely customer satisfaction.

Customers confirmed this consistency. A repeat customer of twenty years observed:

*"I have been buying here since I was a teenager. The taste is always the same, the price is always fair, and Bu Hindun never cheats on the portions. In our village, we know who is honest and who is not. She is known as an honest person."* (P4, Repeat customer)

This testimony illustrates how ethical reputation is constructed through accumulated experiences rather than symbolic claims. Each honest transaction functions as what Fletcher et al. (2026) term a "micro-investment" in relational capital, gradually building a stock of trust that becomes economically valuable.

Fair pricing emerged as a particularly salient dimension of ethical practice. The owner described her pricing philosophy:

*"I calculate my costs and add a small profit, but I always think about whether my neighbors can afford it. This is a poor village. If I charge too much, they cannot buy. But if I charge too little, I cannot support my family. So I find the middle path, the fair price."* (P1, Owner)

This orientation toward fairness reflects the Islamic principle of *'adl* and demonstrates what Ade et al. (2024) characterize as "Islamic Morality Partnership," where exchange relationships are governed by mutual benefit and sustainability rather than profit maximization. The owner's reference to "the middle path" resonates with the Qur'anic concept of *ummatan wasaṭan* (a justly balanced community), suggesting that religious values inform economic decision-making at the most fundamental level.

### **Trust Formation and Relational Loyalty**

The data reveal a systematic process through which ethical conduct generates trust. Each positive interaction confirms customers' expectations and reduces perceived transaction risk. A customer who has patronized the enterprise for fifteen years explained:

*"At first, I was just trying the food. But after many times, I realized that the quality never changes, the portions never shrink, and the price never suddenly increases. Now I don't even think about going elsewhere. When I want rujak, I come here automatically."* (P5, Repeat customer)

This account illustrates the transition from trial to habitual patronage, mediated by accumulated trust. The customer's phrase "automatically" suggests that trust has become embedded in cognitive routines, reducing the need for deliberate evaluation before each transaction. This finding aligns with Ambak et al. (2025), who demonstrate that trust serves

as a primary driver of Muslim consumer loyalty, though their study focused on formal sectors with halal certification.

The owner actively cultivates this trust through behaviors that signal moral reliability. Observations documented consistent practices: returning correct change promptly, acknowledging regular customers by name, inquiring about their families, and occasionally providing small extras without charge. These behaviors, while seemingly minor, collectively construct what the owner described as “relationship, not just business”:

*“This is not just about selling food. These are my neighbors, my community. When their children are sick, I ask about them. When they have celebrations, I send food. Business is part of life, and life is about relationships.”* (P1, Owner)

This holistic orientation resonates with the Islamic concept of *mu‘amalāt*, which encompasses all social transactions as integrated with spiritual life. As Santoso (2025) argues, Islamic microenterprises cannot be understood through purely economic frameworks; they require approaches that recognize the fusion of material and spiritual dimensions.

The findings further indicate that trust, once established, generates reciprocal obligations that stabilize the exchange relationship. Customers expressed a sense of moral commitment to continue patronizing the enterprise, even when alternatives existed. A younger occasional customer reflected:

*“Sometimes my friends suggest going to a newer place in town, but I feel bad abandoning Bu Hindun. She has been here my whole life. She is part of the village. It would feel wrong to stop coming just because somewhere else is trendy.”* (P7, Occasional customer)

This statement reveals that loyalty is not purely calculative but carries moral weight. The customer’s use of “feel bad” and “feel wrong” indicates that switching behavior would violate perceived relational obligations. This finding extends the work of Siregar et al. (2025), who found that relational capital significantly influences financial performance of halal MSMEs, by demonstrating how relational capital operates through moral economy mechanisms in community-embedded contexts.

The owner reciprocates this loyalty through preferential treatment that reinforces the bond. Observations documented instances where regular customers received slightly larger portions, informal credit during difficult times, or advance notification when supplies were limited. These practices, while economically minor, carry significant symbolic weight, signaling that the relationship transcends pure market exchange. This reciprocal dynamic exemplifies what Ade et al. (2024) term “partnership morality,” characterized by equality,

mutual benefit, and sustainability. The partnership is not contractual but relational, sustained through ongoing performance rather than formal agreement.

### **Community Embeddedness and Word-of-Mouth Diffusion**

The enterprise's location within a dense community network generates organic marketing through word-of-mouth diffusion. Customers routinely recommend the enterprise to family members, neighbors, and friends, creating new demand without advertising expenditure. A customer explained:

*"When my daughter got married and moved to the next village, I told her, 'If you want good rujak, you must come back here. There is no place like this.' And she does. She brings her husband and children when they visit me."* (P4, Repeat customer)

This testimony illustrates how customer advocacy extends the enterprise's reach beyond its immediate geographic location. The recommendation carries weight because it comes from a trusted source, leveraging what Fletcher et al. (2026) identify as social capital's role in sustaining enterprises during periods of instability.

The owner recognizes this dynamic and actively cultivates it through community engagement:

*"I attend every village event. If someone is getting married, I help with the catering. If someone dies, I bring food to the family. People remember these things. When they need rujak, they remember who was there for them."* (P1, Owner)

This strategic community embeddedness generates what might be termed "relational redundancy"—multiple overlapping ties that cushion the enterprise against individual customer attrition. Even if some customers stop coming, the enterprise's embeddedness in community networks ensures a continuous flow of new and repeat customers.

This finding resonates with Usman et al. (2026), who identify internal motivation and community commitment as key strengths for MSME development, though their SWOT analysis focused more on business legality and halal certification as formal mechanisms. The present case suggests that informal community embeddedness may function as an equivalent asset in contexts where formal certification is inaccessible or unnecessary.

### **The Socio-Economic Bonding Mechanism**

Integrating the findings reveals a structured relational pathway through which ethical practice converts into economic continuity. Figure 1 illustrates this mechanism:



**Figure 1 : Socio-Economic Bonding Process Flowchart**

The process begins with faith-driven ethical conduct, representing Sharia-guided behaviors such as honesty, fairness, and sincerity in transactions. These consistent ethical signals generate perceived integrity in the eyes of customers, reducing uncertainty and building credibility. Over repeated interactions, this credibility develops into trust formation, establishing a stable relational foundation. Trust then encourages repeat purchase behavior, reinforcing relational continuity. As satisfied customers share their positive experiences, word-of-mouth advocacy emerges, expanding the customer base organically. Ultimately, this cumulative relational process results in demand stability and resilience, enabling the enterprise to withstand external shocks such as seasonal fluctuations.

This sequence supports the claim that socio-economic bonding is not merely moral rhetoric but a capital accumulation process. Each honest transaction functions as a micro-investment in trust. Over time, accumulated trust becomes relational capital that generates economic returns through stabilized demand and reduced marketing costs. As Siregar et al. (2025) demonstrate quantitatively, relational capital significantly and positively influences financial performance of halal MSMEs. The present study provides qualitative depth to this finding by tracing the micro-processes through which relational capital accumulates.

### **Resilience Through Relational Capital**

The enterprise's vulnerability to weather fluctuations illustrates structural fragility, yet long-term survival persists. During rainy periods, sales may decline by half, but the enterprise does not fail. This suggests that resilience is relational rather than structural. Customers return after disruptions because relational memory persists. A customer explained:

*“During rainy season, I don’t come as often because the road is muddy. But when the rain stops, I come back. Bu Hindun is still here, the food is still good. Nothing has changed.”* (P6, Repeat customer)

This continuity reflects what Doern et al. (2022) identify as resilience rooted in social networks rather than technological adaptation. While the enterprise exhibits minimal

technological adaptability, it demonstrates what might be termed “relational adaptability”—the capacity to maintain customer connections despite environmental disruptions.

Fletcher et al. (2026) demonstrate that social capital manifested through trust, reciprocity, and shared values plays a critical role in organizational continuity during instability. The present case extends this finding by showing how faith-based values intensify these relational dynamics, embedding them in theological frameworks that transcend purely social bonds.

**Table : 3 Socio-Economic Bonding as Strategic Capital**

Component	Ethical Basis	Behavioral Manifestation	Economic Effect
Honesty	<i>Ṣidq</i>	Transparent product information, accurate portions	Trust accumulation, reduced perceived risk
Fairness	<i>‘Adl</i>	Affordable pricing, consistent quality	Customer retention, price acceptance
Trustworthiness	<i>Amānah</i>	Reliable service, keeping promises	Repeat purchase, switching resistance
Sincerity	<i>Ikhlāṣ</i>	Service beyond expectation, no visible profit motive	Emotional attachment, customer advocacy
Consistency	<i>Istiqāmah</i>	Unchanging quality over decades	Relational memory, post-disruption return
Community care	<i>Khidmah</i>	Engagement in village events, crisis support	Word-of-mouth diffusion, community loyalty

### Theoretical Implications and Boundary Conditions

The findings directly challenge the dominant framing in Islamic microenterprise research that treats ethics as compliance. Instead, ethical practice operates here as a strategic capital formation process. The enterprise does not advertise its Islamic credentials through banners or certificates; it demonstrates them through consistent behavior that customers interpret as morally reliable. As Ambak et al. (Ambak et al. 2025) note, much Islamic marketing scholarship focuses on formal signaling mechanisms such as halal certification.

While important in formal sectors, these are largely irrelevant in the context studied. The enterprise's legitimacy emerges relationally, through direct experience and community narrative, not through institutional validation.

This finding resonates with Khairunnisa et al. (2026), who propose Maqashid al-Shariah as an integrative framework for economic practice. The five core principles—protection of religion, life, intellect, lineage, and property—are not abstract ideals but lived realities. The enterprise protects religion through ethical conduct, life through affordable nutrition, intellect through transparent information, lineage through community support, and property through fair exchange. The sustainability of the enterprise itself can be understood as the preservation of these maqashid values through economic continuity.

The concept of *barakah* (divine blessing) offers an additional interpretive lens. The owner's understanding of her enterprise's continuity as sustained through blessing earned by ethical conduct suggests that theological dimensions, invisible in conventional analysis, may explain why faith-embedded enterprises demonstrate remarkable persistence despite structural disadvantages. This adds a spiritual dimension to relational capital beyond cognitive trust and moral obligation.

For policymakers, interventions should strengthen ethical capacity and community-based networks rather than merely providing financial support or certification facilitation. Development strategies must build upon existing relational assets rather than displacing them (Fletcher et al. 2026). As Ade et al. (2024) conclude, partnership morality grounded in Islamic values is not merely a religious ideal but a masterpiece of business performance.

The analysis also revealed boundary conditions. Not all customers develop equally strong bonds. Occasional customers, particularly younger ones, exhibited more calculative orientations. One occasional customer stated:

*"I come here because it's close and cheap. If a better place opens nearby, I might try it. I don't feel obligated to stay forever."* (P7, Occasional customer)

This indicates that relational bonding varies by customer characteristics and relationship duration. Younger customers with shorter patronage histories exhibited weaker attachment, suggesting that socio-economic bonding requires time to accumulate. This temporal dimension aligns with process tracing logic (Beach & Pedersen 2019) and suggests that sustainability interventions should focus on retaining customers long enough for bonds to form.

Negative case analysis also revealed instances where trust was tested. One customer recounted a rare experience of inconsistency:

*“Once, the tofu was slightly overcooked. I mentioned it, and Bu Hindun apologized and gave me extra next time. That actually strengthened my trust because she admitted the mistake and fixed it.”* (P5, Repeat customer)

This incident illustrates the “recovery paradox,” where effective service recovery can enhance trust beyond pre-failure levels (Fletcher et al. 2026). The owner’s response demonstrated that ethical conduct includes not only consistent performance but also honest acknowledgment and remedy of failures.

### **Summary of Findings**

Three core findings emerge from this study. First, Islamic ethical principles operate not merely as normative commitments but as repeated behavioral signals that systematically accumulate trust over time. Rather than functioning as symbolic religiosity or compliance rhetoric, these practices constitute observable micro-level exchanges that generate predictable relational expectations. Second, trust formation evolves into relational loyalty through reciprocal interaction and community embeddedness, producing repeat purchases and sustained word-of-mouth diffusion without reliance on formal marketing infrastructure. Third, the accumulation of relational capital enhances microenterprise resilience by stabilizing demand under external shocks, thereby reframing sustainability as a capital formation process rooted in faith-embedded exchange rather than growth intensity or institutional scale.

These findings substantiate the central argument of this study: Islamic microenterprise sustainability in resource-constrained contexts is best understood not through moral compliance narratives, but through a structured relational capital mechanism that converts ethical practice into durable economic continuity.

## **CONCLUSION**

This study examined how faith-based ethical norms generate economic resilience through socio-economic bonding in Indonesian Islamic microenterprises. Through a qualitative case study of a traditional food enterprise in Sampang, East Java, operating continuously from 1995 to 2025, the research traced the mechanisms through which Islamic ethical principles translate into sustained economic continuity. The findings demonstrate that socio-economic bonding—comprising faith-driven trust formation, ethical reciprocity, and

community embeddedness—functions as a relational capital accumulation process that stabilizes customer loyalty and generates organic word-of-mouth diffusion without reliance on formal marketing infrastructure.

Three core findings emerge from this research. First, Islamic ethical principles such as honesty (*sidq*), fairness (*‘adl*), trustworthiness (*amānah*), and sincerity (*ikhlāṣ*) operate not merely as normative commitments but as repeated behavioral signals that systematically accumulate trust over time. Each transparent transaction, consistent product quality, and courteous interaction functions as a micro-investment in relational capital. Second, trust formation evolves into relational loyalty through reciprocal obligations embedded in community networks, producing repeat purchases and customer advocacy that cushion the enterprise against external shocks such as seasonal fluctuations. Third, the accumulation of relational capital enhances microenterprise resilience, reframing sustainability as a capital formation process rooted in faith-embedded exchange rather than growth intensity or institutional certification.

The study advances Islamic economics in three significant ways. It identifies socio-economic bonding as the missing relational mechanism linking ethical principles to economic sustainability, addressing the theoretical gap left by compliance-based approaches (Azka et al. 2024; Santoso 2025; Siregar et al. 2025). It integrates Islamic ethical discourse with relational capital theory, demonstrating that faith-based values add moral and spiritual dimensions to cognitive trust, creating multidimensional bonds that conventional frameworks cannot capture (Ade 2024; Fletcher et al. 2026). It offers a contextually grounded model illuminating how microenterprises in resource-constrained settings sustain continuity without formal infrastructure, contributing to policy discussions on MSME development in Muslim-majority contexts (Usman et al. 2026; Zuan et al. 2024).

The concept of *barakah* (divine blessing) provides an additional interpretive lens. The owner’s understanding of her enterprise’s continuity as sustained through blessing earned by ethical conduct suggests that theological dimensions, invisible in conventional economic analysis, may explain why faith-embedded enterprises demonstrate remarkable persistence despite structural disadvantages. Similarly, the realization of Maqashid al-Shariah principles in everyday practice—protecting religion through ethical conduct, life through affordable nutrition, intellect through transparent information, lineage through community support, and property through fair exchange—demonstrates how Islamic values operate as lived economic realities (Khairunnisa et al. 2026).

This study has limitations. The single-case design limits generalizability, requiring testing across diverse contexts (Gerring 2011). Retrospective accounts over three decades are subject to memory limitations (Beach & Pedersen 2019). Future research should employ longitudinal designs to track relational capital accumulation in real time, examine gender dynamics in faith-based economic relationships, systematically sample disconfirmed relationships to understand boundary conditions, and measure how relational capital relates to growth, profitability, and innovation.

In conclusion, this study affirms that the most profound economic mechanisms often operate not in formal institutions but in the faithful interactions of everyday life. The village food stall sustained for three decades through faith, trust, and community embodies a fundamental truth of Islamic economics: ethical practice, when consistently enacted, becomes not merely compliance but capital—strategic, relational, and resilient.

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