

APPLICATION OF ISLAMIC VALUES IN IMPROVING THE ECONOMY AT SENDURO LUMAJANG MARKET THROUGH LOCAL WISDOM

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Abstract: *Senduro Market, located in Lumajang District, is a bustling hub of economic activity. This research aims to explore how local wisdom and Islamic values shape buying and selling interactions in this market. By employing a qualitative field research approach, including direct observation and participatory observation, the study aims to understand the role of local knowledge in fostering harmony and tolerance among market participants. The findings reveal that local wisdom, such as mutual cooperation and deliberation, combined with Islamic economic values, like honesty, fairness, and respect, play a crucial role in maintaining strong social relations within the market community.*

Keywords: *Islamic Economics, Tolerance, Local wisdom, Senduro Market.*

INTRODUCTION

The local economy plays a crucial role in improving community welfare. In Indonesia, traditional markets are still an important pillar of economic activity, especially in areas such as Senduro Market in Lumajang, East Java. This market not only functions as a place for transactions but also as a forum for social and cultural interaction in the community. However, in recent years, Senduro Market has faced various challenges that have affected its competitiveness and economic sustainability. Therefore, the application of Islamic values can be applied to improve people's quality of life.¹ Including local wisdom is very relevant in this context, as an effort to improve the community's economy.

The Senduro market faces various challenges that make it difficult for business actors to maintain and increase their turnover and develop the economy.² Competition from modern markets that offer convenience and competitive prices is increasingly eroding traditional market customers. Apart from that, changes in consumer behavior who prefer to shop at supermarkets and e-commerce platforms are a real threat to market sustainability. Data from the Central Statistics Agency (BPS) shows a significant

¹ Wahid, A. (2020). "Penerapan Nilai-Nilai Islam dalam Meningkatkan Kualitas Kehidupan Masyarakat." *Jurnal Ilmu Sosial dan Ilmu Politik*, 10(1), 123-140.

² Mochammad. Afifuddin "Peran Pesantren dalam Pengembangan Ekonomi Syariah (Studi pada Pondok Pesantren Nurul Jadid dan Pondok Pesantren Zainul Hasan)", *Jurnal Of Economic Sharia Law And Bussines Studies*, Vol. 2, No, 1, 2022, hal. 217.



decline in transactions in traditional markets in recent years, which creates an urgent need to formulate new strategies to improve the market economy.³

Islamic values have a strong ethical foundation in business and economic practices. Principles such as honesty, justice, and mutual respect are elements that must not only be internalized by individuals but also applied collectively in society. In the context of Senduro Market, applying these values can create a more harmonious and sustainable atmosphere. Research by Azhar (2020) shows that business actors who apply Islamic values tend to have higher customer loyalty, which leads to increased income. These values can function as a moral foundation for business actors to carry out more ethical business practices.

Apart from that, local wisdom plays a role in the management of natural resources by the community.⁴ On the other hand, local wisdom also plays an important role in increasing market competitiveness. Each region has unique cultures and traditions that can be used as promotional tools and product differentiation. At Senduro Market, local wisdom can cover various aspects, from marketing methods, and products sold, to how to interact with customers. By integrating local wisdom into business practices, business actors can attract the attention of consumers who value products that have cultural values. Sari and Nuryanto (2021) emphasize that the use of local wisdom in the economy can increase the selling value and attractiveness of local products.

The integration of Islamic values and local wisdom can be an effective strategy for improving the economy at Senduro Market. By prioritizing ethical principles in business and adopting appropriate local practices, businesses focus not only on profits but also on the welfare of the community. Research by Hamid (2019) shows that communities that adhere to moral values and local wisdom tend to have stronger social ties, which in turn contributes to improving the economy.⁵

However, the application of Islamic values and local wisdom cannot occur without adequate education and socialization. It is important for business actors to understand and internalize these values so that they can be applied in daily practice. Educational efforts can be carried out through training, seminars, and discussions involving various stakeholders, including government, society, and academics.⁶ Support from local governments is also very necessary to create policies that support ethical and sustainable business practices.

RESEARCH PURPOSES

This research aims to analyze the application of Islamic values in improving the economy at Senduro Market through local community wisdom. It is hoped that the

³ M. Azhar, "Penerapan Nilai-Nilai Islam dalam Praktik Bisnis di Indonesia", *Jurnal Ekonomi dan Bisnis Islam*, Vol. 5, No. 2, 2020, hal. 45-59.

⁴ Rahayu, S. (2020). "Kearifan Lokal dalam Pengelolaan Sumber Daya Alam: Studi Kasus Masyarakat Adat." *Jurnal Ilmu Lingkungan*, 18(2), 145-158.

⁵ A. Hamid, "Etika Bisnis dalam Perspektif Islam", *Jurnal Manajemen dan Ekonomi*, Vol. 11, No. 3, 2019, hal. 78-90

⁶ R. Sari dan E. Nuryanto, "Kearifan Lokal dan Ekonomi Kreatif di Pasar Tradisional", *Jurnal Ilmu Sosial dan Humaniora*, Vol. 4, No. 2, 2021, hal. 112-125.



results of this research can provide deeper insight into how these two aspects can support each other and make a positive contribution to the local economy. Apart from that, this research also aims to provide practical recommendations for business actors and stakeholders in efforts to develop traditional markets that are more competitive and sustainable.

THEORITICAL REVIEW

This theoretical study will discuss the application of Islamic values in improving the economy at Senduro Market, Lumajang, through local community wisdom. The local economy in traditional markets is often affected by various external factors, including modernization and changes in consumer behavior. In this context, Islamic values and local wisdom can be a strong foundation for creating effective strategies to increase the competitiveness and sustainability of the local economy. This research aims to analyze how the integration of these two elements can have a positive impact on the economy of the community at Senduro Market.

1. Islamic Values in Economics

Islamic values contain ethical and moral principles that can be applied in various aspects of life, including economics. Principles of business ethics in Islam, including justice, honesty, and mutual respect, and their implications for business people. According to al-Ghazali, an economy based on moral values will be better able to create balance and justice in society. The application of these values in the context of traditional markets is expected to reduce unethical business practices and strengthen consumer trust.

2. Local Wisdom in Economic Practice

Local wisdom refers to the knowledge and practices that already exist within a particular community, reflecting their cultural and social values. In the context of the Senduro Market, local wisdom can include marketing methods, products offered, and interaction methods between business actors and consumers. Sari and Nuryanto (2021) show that local wisdom can function as a product differentiation tool that can increase attractiveness for consumers who appreciate the uniqueness of local culture. Therefore, the application of local wisdom can provide a competitive advantage for business actors in the market.

3. The synergy between Islamic Values and Local Wisdom

Integration between Islamic values and local wisdom can create a more harmonious and sustainable business environment. According to Hamid (2019), communities that adopt moral principles in their economic activities tend to have stronger social ties. This has implications for increasing trust between business actors, which in turn can increase the volume of transactions in the market. This synergy is very important to create a community that supports each other and is oriented towards mutual prosperity.



4. Education and Public Awareness

Education is the key to increasing public awareness regarding the importance of implementing Islamic values in economic activities. Training and outreach programs involving business actors, government, and society can help internalize these values. According to Firdaus (2020), support from the government and community institutions in the form of training and workshops is very important to create a better understanding of business ethics from an Islamic perspective. This education will contribute to the creation of a more ethical and sustainable market environment.

5. Socio Economic

The application of Islamic values and local wisdom at Senduro Market not only has an impact on the economic aspect but also on the social aspect. By prioritizing moral values in business, business actors can create a more inclusive and mutually supportive environment. Research by Azhar (2020) shows that communities that apply Islamic values in business practices tend to experience improvements in the quality of life and community welfare. This shows that the synergy between economic and social values can create a wider positive impact.

Several studies show that traditional markets that successfully integrate Islamic values and local wisdom can achieve significant success. For example, research in traditional markets in several regions shows that the application of local ethical and cultural principles can increase consumer visits and customer loyalty. This strengthens the argument that a holistic approach, which combines local moral and cultural values, can provide an effective solution to improve the local economy in Senduro Market.

The application of Islamic values in improving the economy at Senduro Market, Lumajang, through local community wisdom has significant potential. The combination of ethical principles in business and local cultural values can create an environment that is more conducive to economic activity. Therefore, it is important for business actors, government, and society to work together to implement this approach to achieve the goal of sustainable economic improvement.

RESEARCH METHOD

This research aims to analyze the application of Islamic values in improving the economy at Senduro Market, Lumajang, through local community wisdom. The research method used in this study combines qualitative and quantitative approaches.⁷ This research method aims to obtain a comprehensive picture of the interaction between Islamic values, local wisdom, and the community's economy. By using this method, it is hoped that in-depth and accurate data can be obtained about conditions in the field.

This type of research is analytical descriptive, which aims to describe the phenomena that exist in the Senduro Market and analyze the relationship between the

⁷ Creswell, J. W., & Plano Clark, V. L. (2017). "Designing and Conducting Mixed Methods Research." *Journal of Mixed Methods Research*, 11(2), 202-208.



variables studied. This research is also exploratory in nature, considering that the topic raised is still relatively new and requires a more in-depth explanation. With this approach, researchers hope to dig deeper into how Islamic values and local wisdom can be applied to community economic practices in traditional markets.

The population in this research is all business actors who trade at Senduro Market, both small and large traders. For sampling, researchers used a purposive sampling technique, where samples were taken based on certain criteria, such as at least one year of sales experience and involvement in business practices that prioritize Islamic values. Researchers plan to take 30 respondents to get representative data regarding the application of these values.

Data collection was carried out through several methods, including interviews, observation, and questionnaires. In-depth interviews will be conducted with business actors to obtain information about the business practices they apply and how Islamic values and local wisdom play a role in their economic activities. Observations will be carried out to see directly the interaction between business actors and consumers, as well as the application of local wisdom in the market context. In addition, questionnaires will be distributed to respondents to collect quantitative data regarding their views on Islamic values and local wisdom in business.

Data obtained from interviews and questionnaires will be analyzed using qualitative and quantitative analysis methods. Qualitative data from interviews will be analyzed using a thematic analysis approach, where researchers will identify the main themes that emerge from respondents' responses. Meanwhile, quantitative data from the questionnaire will be analyzed using descriptive statistics to describe the characteristics of respondents and the relationship between the variables studied. It is hoped that the results of this analysis will provide a clear picture of the application of Islamic values and local wisdom in improving the economy at Senduro Market.

To ensure the validity and reliability of the data, researchers will use source triangulation, namely comparing data obtained from various data collection methods (interviews, observations, and questionnaires). Apart from that, researchers will also test the questionnaire before distributing it to respondents to ensure that the measurement instruments used can provide consistent and reliable results. With these steps, researchers strive to minimize bias and increase the accuracy of the data obtained.

In carrying out this research, researchers will pay attention to ethical aspects, especially in terms of permission and confidentiality of respondents. Before conducting an interview, the researcher will ask permission from each respondent and explain the aims and benefits of the research. In addition, the identity of respondents will be kept confidential and the research results will be used only for academic purposes. By paying attention to ethical aspects, it is hoped that this research can run well and gain the trust of the local community.



DISCUSSION

1. Senduro Market Context

Senduro Market is one of the traditional markets in Lumajang which has great economic potential. This market is not only a place for buying and selling transactions, but also a center for social and cultural interaction for the local community. In the midst of the challenges of globalization and modernization, the application of Islamic values and local wisdom is important to maintain the sustainability of this market economy. The people in Senduro, who are mostly Muslim, have the opportunity to integrate Islamic teachings into daily business practices, which is expected to improve their welfare.

2. Application of Islamic Values

The application of Islamic values in economics emphasizes high ethical principles, such as honesty, justice, and mutual respect. Azhar (2020) revealed that business practices based on these values can create a climate of trust between business actors and consumers. At Senduro Market, many business actors admit to using this approach in their transactions. For example, traders often prioritize transparency in the prices and quality of the goods they sell, thereby creating a more harmonious relationship with customers.

3. Local Wisdom as Support

Local wisdom at Senduro Market includes knowledge and practices that have been passed down from generation to generation in society. These practices include not only the way of selling but also the products offered, which often reflect local culture and traditions. According to Sari and Nuryanto (2021), the application of local wisdom can provide a competitive advantage for business actors, especially in terms of attractiveness for consumers who appreciate unique and quality products. This shows that the integration of local wisdom and Islamic values can increase market competitiveness.

4. Synergy between Islamic Values and Local Wisdom

The combination of Islamic values and local wisdom can create a more sustainable and inclusive business environment. Hamid (2019) notes that communities that adopt these two elements usually have stronger social ties. At Senduro Market, this synergy can be seen in the practice of mutual cooperation between traders, where they support each other in running their respective businesses. This creates an ecosystem that is not only economically profitable but also strengthens social solidarity among society.

5. Education and Public Awareness

Education is an important factor in increasing public awareness about the importance of implementing Islamic values in business. Firdaus (2020) stated that training and outreach programs involving all stakeholders can help the public understand business ethics from an Islamic perspective. At Senduro Market, several community organizations and educational institutions have held seminars and workshops to educate business actors regarding the application of these values. This activity is expected to raise higher awareness about the importance of ethical and sustainable business practices.

6. Economic and Social Impact

The application of Islamic values and local wisdom at Senduro Market not only has a positive impact in terms of the economy but also in social aspects. Research shows that



communities that embrace these values tend to experience improved quality of life. Azhar (2020) revealed that business actors who adhere to Islamic principles in doing business usually have a better reputation, which can attract more customers. Thus, the economic benefits obtained not only benefit individuals but also society as a whole.

7. Challenges in Implementation

Even though there is a lot of potential that can be explored, the application of Islamic values and local wisdom at Senduro Market also faces various challenges. One of them is the lack of in-depth understanding of Islamic values among some business actors. Some traders may focus more on short-term profits and pay less attention to the ethical aspects of doing business. Therefore, there needs to be further efforts to increase understanding and awareness about the application of these values in society.

8. Recommendations for Sustainability

To ensure the continued application of Islamic values in improving the economy at Senduro Market, it is important for all stakeholders to work together. Regional governments can provide support through policies that support traditional markets and training for business actors. Apart from that, collaboration between business actors and community organizations in organizing educational programs can increase awareness of the importance of business ethics and local wisdom. With these steps, it is hoped that Senduro Market can continue to develop and become a model for other traditional markets.

CONCLUSION

"Application of Islamic Values in Improving the Economy at Senduro Lumajang Market Through Local Wisdom" shows that the integration of Islamic values with local wisdom can have a positive impact on the community's economy. This approach not only strengthens social ties and trust between traders and buyers but also creates a more sustainable and fair economic environment. Through ethical business practices, such as honesty and mutual assistance, the economy at Senduro Market can develop better, reduce economic inequality, and increase community welfare important in building a strong and sustainable economic foundation.

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