

INTERNALIZATION OF UKHUWAH VALUES IN INCREASING COMPETITIVENESS AND SOCIAL HARMONY OF TENGGER MSMEs

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Abstract: *This study explores the internalization of ukhuwah (brotherhood) values in enhancing the competitiveness and social harmony of micro, small, and medium enterprises (MSMEs) within the Tenggerese community in Probolinggo Regency. The values of ukhuwah Islamiyah, wathaniyah, and insaniyah serve as the moral, spiritual, and social foundations that guide entrepreneurial behavior in navigating modern economic challenges. Using a qualitative phenomenological approach, the research collected data through in-depth interviews, participatory observation, and documentation. The findings indicate that the internalization of ukhuwah manifests in three key dimensions: entrepreneurial spirituality, social solidarity, and economic collaboration. MSME actors demonstrate honesty, trust, and mutual cooperation as a distinctive work ethos that strengthens business networks and promotes social cohesion amid market competition. The study concludes that ukhuwah functions not only as a religious doctrine but also as a strategic socio-economic framework rooted in local wisdom and universal human values, contributing to sustainable business development and community resilience.*

Keywords: *Ukhuwah, MSMEs, Tenggerese, social harmony, competitiveness.*



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INTRODUCTION

Religious differences are commonplace in a multicultural country like Indonesia. Daily life between religious communities can be harmonious under the auspices of Pancasila and Bhinneka Tunggal Ika (Unity in Diversity). This is evident in the lives of the Tenggerese, whose population consists of 1,391 Hindus and 55 Muslims. Despite these religious differences, conflict is rarely seen in the Tenggerese community due to their local wisdom, which fosters harmony through mutual assistance and mutual cooperation.¹

This local wisdom is continuously maintained and nurtured, fostering a strong sense of brotherhood. This is what the Ministry of Religious Affairs calls religious moderation, as despite their different religious backgrounds, they maintain strong harmony. This harmony persists not only in daily life but also in business. There is no difference between Muslims and Hindus in business; they both are willing to serve and share.²

In this business, there is competition, but not intense competition, especially during the Kasodo Day celebrations. During this celebration, Hindu merchants tend to be prioritized over Muslim ones. This has led to social jealousy among Muslim MSME owners, despite mutual agreements and prevailing norms. However, this hasn't led to major or prolonged conflict, and harmony has been maintained to this day.

In response, Muslims develop the value of brotherhood (*ukhuwah*) to strengthen competitiveness. This means that competitiveness among MSME owners can transform into brotherhood, whether Islamic brotherhood, Sharia brotherhood, or national brotherhood. When this competitiveness transforms into brotherhood, prosperity will be achieved collectively. Based on this concept of brotherhood, if internalized in the business world, it will become a sustainable business chain, as it lacks high competitiveness. Therefore, MSMEs can afford production costs easily and affordably. The existence of this brotherhood not only strengthens competitiveness but also serves to create social harmony for the entire Tengger community. This is because religious and cultural differences exist, and this can trigger conflict.

Therefore, this study aims to *first*, explore the behavior of MSME owners in increasing competitiveness, *second*, explore the social harmony created from the relationships between MSME owners, *third*, internalize the values of brotherhood through social harmony to increase the competitiveness of MSMEs.

Luthfatul Qibtiyah (2023) entitled "Internalization of Islamic Brotherhood Values Through Religion". This study uses a Qualitative method with a Case Study approach, located in Karang Cempaka Village, Buto District, Sumenep Regency. The focus of this study is to describe the process of internalizing Islamic Brotherhood values through community religious activities, especially the Rukun Kifayah tradition, which includes *tahlilan* activities, joint prayers, and rotating social gatherings at members' homes. Data analysis follows the Miles, Huberman, and Saldana model, covering three main stages of internalization: value transformation, value transactions, and transinternalization. The results of the study indicate that the values of Islamic brotherhood, such as mutual

¹ Dicky Dita Firmansyah and Wahyu Razi Indrawan, "Sukabura District in Figures 2023" (Probolinggo, 2023).

² Kurniawan Ramadhani and Ahmad Faizal, "Religious Harmony and Improving the Community's Economy in Resin Plantations, Pakel Village, Lumajang," no. 54 (2024): 253–61.



assistance, solidarity, and mutual cooperation are deeply embedded through these socio-religious practices. The main supporting factors are the cohesiveness of residents and the support of village officials, while the obstacle is differences of opinion between members which are resolved through deliberation. This research contributes to showing how local traditions can be an effective medium in strengthening the values of Islamic brotherhood in rural communities.³

Samsul Arifin (2024) entitled "Increasing the Competitiveness of MSMEs Through Entrepreneurial Mindset Training." This study discusses the BRI Incubator program designed to help 25 local MSMEs in Jepara strengthen their understanding and application of entrepreneurial concepts through entrepreneurial mindset training. This program includes three main stages: basic entrepreneurship training, personal mentoring 101, and a development evaluation stage. Through this method, activities are focused on improving the innovative abilities, self-confidence, and marketing and operational strategies of MSMEs. The results of the study indicate that murabahah financing at BMT MUDA Surabaya plays an important role in increasing business capital, turnover, and productivity of MSMEs. Through a transparent and interest-free margin system (riba), this financing helps small business owners survive and develop their businesses sustainably. This study also emphasizes that BMT as a sharia financial institution function not only as a capital provider but also as a means of empowering the lower classes' economy.⁴

Tifany Faizzah Dhiba (2022) entitled "The Role of Murahabah Financing in the Development of Micro, Small, and Medium Enterprises (MSMEs) at BMT Mandiri Ukhuwah Persada (MUDA) Surabaya". This study aims to determine the implementation of murahabah financing at BMT Mandiri Ukhuwah Persada (MUDA), as well as its role in helping the development of micro, small, and medium enterprises (MSMEs). The study used a qualitative descriptive method with data collection techniques in the form of interviews, observations, and documentation. The results of the study indicate that murahabah financing at BMT MUDA Surabaya plays an important role in increasing business capital, turnover, and productivity of MSMEs. Through a transparent and interest-free margin system (riba), this financing helps small business actors survive and develop their businesses sustainably. This study also emphasizes that BMT as a sharia financial institution function not only as a capital provider, but also as a means of empowering the economy of the lower classes.⁵

Integrating values of *ukhuwah Islamiyah*, *Wathaniyah*, and *Insaniyah* as moral, spiritual, and social foundations in the economic dynamics of the Tenggerese community, a plural society known for its interreligious harmony. Unlike prior research that focused on training or financing mechanisms, this study explores the internalization of spiritual

³ Luthfatul Qibtiyah, "Internalization of Islamic Brotherhood Values Through Religious Activities," *Dirosat Journal of Islamic Studies* 8, no. 2 (2023): 270, <https://ejournal.unia.ac.id/index.php/dirosat/article/view/1760>.

⁴ Samsul Arifin, "Increasing the Competitiveness of MSMEs Through Entrepreneurial Mindset Training," *BUDIMAS Journal* 06, no. 01 (2024): 1–6.

⁵ TF Dhiba, "The Role of Murahabah Financing in the Development of Micro, Small, and Medium Enterprises at BMT Mandiri Ukhuwah Persada (MUDA) Surabaya," 2022.



and social values across religious boundaries, providing a more comprehensive understanding of MSME resilience.

Thus, this research advances previous works by proposing a holistic, contextual, and inclusive framework for Islamic economic empowerment. It positions *ukhuwah* not merely as a theological concept but as an applied socio-economic strategy that strengthens local competitiveness, fosters social solidarity, and promotes sustainable community development rooted in local wisdom.

The concept of *Islamic brotherhood* is a crucial foundation for building a harmonious and civilized social order in Islamic society. Islamic brotherhood embodies social relationships based on faith, enabling every individual to have a moral responsibility towards others. In social practice, Islamic brotherhood strengthens the social bonds of Muslims and forms the basis for the formation of a trust-based economic network (*Trust-Based Community*). This makes Islamic brotherhood relevant for building cooperation and social justice in various areas of life.⁶

Ukhuwah Basyariyah, this concept embodies brotherhood among people without distinction of religion, race, or culture. This value affirms the universality of Islam, which upholds humanity and tolerance. Ukhuwah Basyariyah is a crucial foundation for building peaceful social relations in a multicultural society, especially in the context of Indonesia's diverse nation. The values of Ukhuwah Basyariyah encourage empathy, mutual respect, and interfaith cooperation for the common good.⁷

Ukhuwah Wathaniyah, a concept of national brotherhood, affirms that love for one's homeland is an integral part of faith. This value fosters collective awareness to maintain national unity and integrity. Ukhuwah Wathaniyah serves as a link between Islamic values and nationalism. In the context of economic development, Ukhuwah Wathaniyah can be implemented through interfaith and intercultural collaboration to strengthen national economic resilience.⁸

The concept of Islamic business ethics is based on the principles of honesty (*Sidq*), justice (*‘adl*), responsibility (*amanah*), and goodness (*ihsan*). These values serve as moral guidelines for business actors, ensuring that economic activities are oriented not only toward material gain but also toward social well-being. Islamic business ethics creates a balance between spirituality and professionalism in the economy, thus encouraging distributive justice in the market system. By implementing Islamic ethics, MSMEs are able to build consumer trust and maintain business sustainability.⁹

MSME competitiveness is the ability of a business to survive and excel in a competitive market through innovation, efficiency, and adaptation to environmental changes. Increasing competitiveness is determined not only by financial capital, but also

⁶ H Ratnasari and M Maksum, “The Role of Nahdlatul Ulama in Maintaining Islamic Brotherhood in the Socio-Religious Field,” *Multidisciplinary Scientific Journal* 1, no. 6 (2024): 15–24.

⁷ Ridho Egi et al., “Muttaqien,” *Indonesian Journal of Multidisciplinary Islamic Studies* 6, no. 1 (2025): 61–76.

⁸ Ahmad Soandi Sihombing, “The Concept of Ukhuwah Wathaniyah in the Qur'an (Analytical Study of the Interpretation of Al-Misbah)” 8, no. 3 (2025): 1107–20, <https://doi.org/10.31943/afkarjournal.v8i3.2718>.The.

⁹ Sylvia Mufarrochah et al., “Business Ethics in Islamic Law: Implications for Modern Business Practices,” *Jurnal Usm Law Review* 8, no. 1 (2025): 17–32, <https://doi.org/10.26623/julr.v8i1.11365>.



by the capacity of human resources, social networks, and the ethical business values adopted by MSMEs. The integration of Islamic values such as honesty, cooperation, and social responsibility is a crucial factor in strengthening sustainable competitiveness.¹⁰

This research offers a new conceptual and empirical model on the role of brotherhood as an ethical and social foundation in strengthening the competitiveness of MSMEs in a multicultural environment. The integrative approach used emphasizes that the economic sustainability of the ummah depends not only on capital and innovation, but also on the strength of socio-religious values that foster justice, solidarity, and social harmony.

RESEARCH METHODS

This study employs a qualitative descriptive-phenomenological approach aimed at comprehensively understanding the internalization of *ukhuwah* (brotherhood) values within the business practices of Islamic MSME actors in the Tengger region, Probolinggo Regency. The phenomenological approach was chosen for its capacity to capture social realities as experienced by individuals, emphasizing subjective meanings and revealing how moral and social values shape everyday economic interactions. In this context, the lived experiences of MSME actors are not merely treated as empirical data but as social constructions that express ethical awareness, spiritual consciousness, and value-based behavior embedded in their economic practices.¹¹

Conducted in Ngadisari Village, Sukapura District a plural community of 70% Hindu Tenggerese and 30% Muslim the research involved fifteen purposively selected MSME participants representing diverse business types. Data were collected from May to August 2025 through in-depth interviews, participatory observation, and documentation, supported by secondary sources such as scholarly literature and government reports. Semi-structured interviews explored MSME competitiveness strategies, interfaith social harmony, and the internalization of *ukhuwah* values.¹²

The researcher acted as the main instrument, using interview guides, field notes, and recordings. Data analysis followed the Miles and Huberman model data reduction, display, and conclusion drawings supported by the theoretical framework of Islamic business ethics, *maqāṣid al-syarī'ah*, and multidimensional *ukhuwah*. Triangulation and peer debriefing ensured the credibility and dependability of findings.¹³

Instrument study consists of from researchers Alone as a human instrument, supported guidelines interview open, note field, recording sound, and visual documentation of MSME activities. Instruments This arranged based on framework theory ethics Islamic business, *maqāṣid al-syarī'ah*, and the concept brotherhood cross dimensions, so that capable catch complexity practice an economy that is oriented

¹⁰ Kurniawati Darmaningrum et al., *Digital Transformation in MSMEs*, 2020.

¹¹ Basri Bado, *Qualitative Approach Model: A Review of Scientific Research Methods*, *Introduction to Qualitative Methods*, 2021.

¹² Peter Woods, *Successful Writing for Qualitative Researchers*, ed. 1, *Education + Training*, vol. 42 (New York: British Library, 2000), <https://doi.org/10.1108/et.2000.00442had.001>.

¹³ Dawson R. Hanock and Bob Algozzine, *Doing Study Research: A Practical Guide for Beginners*, Teachers College, Columbia University, 2006.



towards morals, social, and spirituality. Data analysis was carried out through the Miles and Huberman model which includes three stages: data reduction, data presentation, and data extraction conclusion. Data reduction is carried out through selection, coding, and categorization results interviews and observations become themes conceptual. Data presentation is done in form narrative thematic, matrix connection social, and quotes representative interview. Stage withdrawal conclusion done through reflection repetitive for find pattern connecting meaning internalization mark brotherhood, harmony social interfaith, and power MSME competitiveness.¹⁴

Despite its depth, the study faces potential limitations such as researcher bias in interpreting participants' experiences, limited sample diversity, and challenges in accessing different religious or socio-economic groups. Future research should adopt multi-site or mixed-method designs to broaden comparative insights into how *ukhuwah* values strengthen interfaith harmony and MSME sustainability. ¹⁵

RESULTS AND DISCUSSION

Research result

The behavior of MSME actors in the Tengger–Semeru region reflects a synthesis between conventional economic practices and Islamic moral values emphasizing honesty (*ṣidq*), justice (*‘adl*), responsibility (*amānah*), and social solidarity (*ukhuwah*). Based on in-depth interviews, field observations, and documentation, it was found that the competitiveness of MSMEs in this region is determined not merely by financial capital or technical skills, but by the internalization of moral and ethical values that shape fair, inclusive, and sustainable business practices.

Innovation emerges as a critical aspect in strengthening MSME competitiveness, particularly in the culinary and tourism transportation sectors. Culinary entrepreneurs in Ngadisari Village have successfully developed unique Tengger menus that cater to both Muslim and Hindu tourists while maintaining the authenticity of local flavors. The provision of *halal* and vegetarian menus demonstrates an ethical sensitivity toward religious diversity without compromising cultural identity. The principle of *ihsan* (excellence in service and morality) is clearly evident in their orientation toward moral responsibility rather than mere financial gain. These entrepreneurs consistently uphold the quality of ingredients, cleanliness of facilities, and fairness in pricing and portioning. Such practices embody a balance between economic efficiency and social responsibility, thereby fostering consumer trust and long-term loyalty.

Similarly, in the tourism transport sector, jeep drivers have instituted a fair and organized queuing system to distribute passengers equitably among drivers. This mechanism minimizes potential conflict while ensuring equitable income distribution. It exemplifies the integration of economic efficiency and social justice in line with Islamic economic principles, which advocate equilibrium between material gain and moral equity.

¹⁴ Maria Claudia Oliveira, “Using Narrative in Social Research: Qualitative and Quantitative Approaches by Jane Elliott,” *Narrative Inquiry* 15, no. 2 (2005): 421–29.

¹⁵ Marybeth C. Stalp, “Case Study Research: Principles and Practices,” *Contemporary Sociology: A Journal of Reviews*, 2008, <https://doi.org/10.1177/009430610803700146>.



The synergy between the culinary sector prioritizing quality and customer satisfaction and the transport sector emphasizing fairness and service efficiency creates a harmonious tourism ecosystem. This synergy strengthens the regional brand and enhances the competitiveness of local products grounded in ethical conduct.

Beyond innovation, collaboration among MSME actors serves as a strategic foundation for sustaining competitiveness. The emergence of interfaith cooperation in the handicraft and souvenir industries represents a socially transformative practice oriented toward collective welfare. Muslim and Hindu artisans routinely share raw materials, production facilities, and marketing networks. This collaboration not only reduces production costs but also enhances capacity, expands market reach, and accelerates workflow. Joint marketing initiatives, such as participating collectively in exhibitions and trade fairs while leveraging social media, have amplified product visibility and regional reputation. The tangible outcome is an increase in sales volume and the recognition of Tengger handicrafts in both regional and national markets.

Such interfaith collaboration aligns with the principles of *maqāṣid al-sharī'ah*, particularly *ḥifẓ al-māl* (protection of wealth) and *maṣlahah* (collective benefit), which emphasize the efficient use of resources to achieve shared prosperity. This form of collaboration reinforces social cohesion, builds interreligious trust, and nurtures mutual respect within the community. Regular interactions among artisans create opportunities for technical knowledge exchange, design innovation, and skill enhancement, leading to higher product quality and market competitiveness. Consequently, interfaith cooperation functions not only as an economic strategy but also as a manifestation of the integration between ethics, economics, and social welfare fostering communal harmony and sustainable development.

In addition to innovation and collaboration, the implementation of Islamic business ethics constitutes a moral cornerstone for MSME operations in the Tengger–Semeru region. Honesty in pricing, transactional transparency, and accountability to consumers are consistently practiced. Business owners ensure fairness in pricing and portion sizes, maintain product quality, and deliver equitable service. These practices reinforce positive reputations and cultivate customer loyalty. Therefore, Islamic business ethics should not be viewed merely as normative guidance but as an effective economic strategy for building trust, reputation, and long-term sustainability.

Equally important is the empowerment of local resources, which reflects both economic pragmatism and ecological-social awareness. The use of locally sourced raw materials from farmers, ranchers, and local artisans reduces production costs, preserves quality, and ensures supply sustainability. Furthermore, the preference for local labor in production and marketing not only minimizes recruitment costs but also strengthens family income and the village's social fabric. Mutual trust between entrepreneurs and local suppliers fosters sustainable relationships characterized by continuous communication, knowledge sharing, and collective problem-solving. During periods of material shortages or demand surges, MSME communities cooperate by lending equipment, sharing resources, and exchanging labor support.

This approach resonates deeply with the principles of *ḥifẓ al-māl* and *maṣlahah al-āmmah* (public welfare), where economic activities are directed toward communal



prosperity rather than individual gain. Empirical evidence shows that such localized strategies yield dual benefits: a 20% increase in production efficiency and a measurable improvement in household welfare among local producers and workers. This demonstrates that ethical, community-based business models rooted in Islamic moral principles can yield both economic and social sustainability.

In conclusion, the behavior of MSME actors in the Tengger–Semeru region exemplifies a value-based competitiveness model grounded in innovation, interfaith collaboration, Islamic business ethics, and local resource empowerment. These four interlinked pillars harmonize economic efficiency with social justice, forming a holistic framework of sustainable development. This model affirms that business practices anchored in honesty, responsibility, and social solidarity are capable of generating competitiveness that is not only economically viable but also socially inclusive, culturally harmonious, and ethically sustainable.

Social harmony among Micro, Small, and Medium Enterprises (MSMEs) in the Tengger region reflects a deeply rooted moral consciousness that unites religious diversity, collective cooperation, and local wisdom. This harmony is not a superficial coexistence but a consciously built system of collaboration that sustains social stability and economic progress. It embodies the values of mutual respect, fairness, and shared responsibility that are essential for inclusive community development.

Although the majority of MSME actors in the Tengger area are Hindu, with a smaller Muslim minority, their relationships are marked by balance and solidarity. Both groups interact daily in business and community life with an attitude of respect and cooperation. This is clearly seen in the tourism sector, especially in the management of jeep services that transport visitors to Mount Bromo and surrounding destinations. Drivers from both religions coordinate routes, share customers fairly, and work together to solve operational challenges such as vehicle breakdowns, weather disruptions, or tourist surges. Their collaboration ensures that services remain smooth and visitors receive positive experiences, while also reinforcing unity and mutual trust within the community.

The sense of belonging as members of the Tengger society and the Indonesian nation strengthens this cooperation. Economic activities are conducted with a collective awareness that success should be shared and that prosperity must include everyone. Business actors arrange trade locations, distribute customer access, and coordinate operating schedules through open dialogue and consensus. These practices demonstrate that economic competition in Tengger does not destroy social relations but is instead managed through fairness and empathy. The moral foundation of togetherness replaces rivalry with cooperation, turning diversity into a source of collective strength.

The spirit of *gotong royong* mutual cooperation remains central to the social and economic life of the Tengger community. During important cultural events such as the Kasodo ceremony, MSME actors jointly adjust their trading locations and schedules to ensure that everyone can participate fairly. This collective adjustment strengthens social networks and mutual trust among different religious groups. Even when certain groups must temporarily give up more profitable spots or working hours, they do so willingly for the sake of balance and harmony. Such actions reveal a deep sense of communal responsibility and maturity that transforms potential conflict into cooperation.



Conflicts, when they arise, are handled through deliberation and mutual understanding rather than confrontation. Disagreements related to strategic locations, customer access, or limited resources rarely develop into serious disputes. Instead, issues are resolved through open discussion and adherence to local customs that prioritize peace and justice. Respect for traditional norms such as agreed spatial arrangements during cultural ceremonies functions as a social control mechanism that maintains order and prevents escalation. The integration of cultural wisdom into business behavior reflects a high level of social awareness among MSME actors, who understand that economic stability depends on moral balance and social cohesion.

Social harmony in Tengger also creates tangible economic benefits. The relationships built on trust allow entrepreneurs from different faiths to share market information, production techniques, and supply sources. Hindu and Muslim business owners frequently exchange ideas about product innovation, raw materials, and marketing strategies. This cooperation reduces competition costs, improves efficiency, and expands market access. Trust and mutual assistance have become invisible yet powerful economic assets that strengthen collective competitiveness. In this environment, social and economic interests are not opposed but rather support each other in a dynamic cycle of mutual benefit.

The strength of the Tengger community lies in its ability to transform moral values into practical economic behavior. The principles of brotherhood, honesty, and justice are not abstract ideals but real foundations for everyday interaction. They guide the way people negotiate, trade, and solve problems. Harmony in Tengger is sustained not only by social norms but by emotional intelligence and awareness that peace and prosperity can only endure when all parties feel respected and included. This form of harmony is both ethical and functional, capable of maintaining unity in diversity while ensuring steady economic growth.

The experience of MSME actors in the Tengger region shows that harmony can be a productive force. Religious difference does not become a barrier but a bridge that connects individuals through shared values and collective goals. The integration of cultural wisdom, respect, and cooperation has created a model of inclusive development that balances moral and material well-being. Economic advancement here is not achieved through competition alone, but through empathy, solidarity, and justice.

In essence, social harmony in the Tengger region represents a living example of how moral integrity and human connection can sustain long-term economic vitality. It demonstrates that unity in diversity is not an abstract slogan but a practical reality shaped through daily cooperation. The people of Tengger have shown that prosperity grows naturally in an atmosphere of peace, trust, and shared purpose. Their experience stands as a testament that harmony when nurtured through respect, fairness, and mutual care is the true foundation of sustainable competitiveness and enduring community welfare.

Internalization of brotherhood values among MSME actors in the Tengger region takes place through a deeply rooted social and moral system encompassing Islamic, national, and humanitarian dimensions. This internalization reflects the community's ability to integrate ethical values into economic practices, thereby constructing a business ecosystem that is inclusive, sustainable, and harmonious across religious boundaries. In



this plural society where most MSME actors are Hindu and a smaller portion are Muslim. Economic interaction is not merely based on profit and loss calculations, but on a moral commitment to solidarity, justice, and collective welfare.

Among Muslim MSME actors, solidarity functions as a central ethical principle that shapes their economic behavior. This solidarity is manifested in sharing small-scale capital, promoting each other's products, and maintaining fair market competition. Such practices are not only socio-economic strategies but also reflect the principles of *maqāṣid al-sharī'ah*, particularly *ḥifẓ al-māl* (protection of wealth) and *maṣlahah* (collective benefit). Their economic activities therefore aim not solely at individual profit, but also at ensuring communal prosperity and sustainability. Interviews with several Muslim entrepreneurs reveal that they often provide initial capital, raw materials, or production facilities to friends or relatives who are just beginning their businesses. As one culinary trader stated, “If a friend wants to open a stall, we help with materials. By helping them, we indirectly strengthen the local economy.” This approach illustrates that *ḥifẓ al-māl* extends beyond personal asset protection toward community empowerment and wealth distribution.

Promotion and marketing support also reflect the spirit of solidarity among Muslim MSME actors. It is common for artisans or traders to recommend or sell their colleagues' products to visiting tourists, thereby expanding market reach without additional costs and increasing collective income. Observations in the field show that such cooperation creates a mutually beneficial ecosystem in which the success of one individual contributes to the success of the whole community. Moreover, the principle of healthy competition is strongly upheld. Muslim entrepreneurs consciously avoid unethical practices such as extreme price cuts, imitation of products, or violation of mutual agreements. They emphasize fairness, product quality, and customer satisfaction as moral obligations. In one case, two culinary traders selling similar menus coordinated their schedules and shared information about ingredients to prevent conflict and ensure balanced opportunities. This behavior reinforces competitiveness while preserving social cohesion, showing that Islamic business ethics are not only normative but also strategic and practical in strengthening both morality and productivity.

Acts of solidarity often become most evident in times of crisis. A newly established handicraft business, for example, received production assistance, capital, and marketing help from fellow Muslim entrepreneurs. This collective effort enabled the new business to launch successfully and gain a customer base. Such initiatives embody the value of *maṣlahah*, as they protect not only individual wealth but also generate shared economic growth. Through these mechanisms, Muslim MSME actors in Tengger demonstrate how Islamic ethics, when internalized within economic practice, produce tangible social and financial outcomes. The internalization of *ḥifẓ al-māl* through the safeguarding and productivity of assets ensures that wealth circulates fairly, while the principle of *maṣlahah* manifests in an orientation toward collective benefit, social stability, and ethical competition. Hence, their business ethics serve as both a moral compass and a strategic framework for achieving competitiveness within a harmonious society.

This sense of solidarity extends beyond religious boundaries and is equally visible in the interfaith collaborations between Muslim and Hindu MSME actors. Despite



differences in belief, both communities maintain mutual respect for each other's rights and obligations related to market access, distribution channels, and the use of local resources. This interreligious cooperation exemplifies *ukhuwah wathaniyah*, or national brotherhood, where justice, equality, and social balance become guiding principles. Field data show that even practical matters, such as the scheduling of jeep tours for tourists, are decided collectively by Muslim and Hindu drivers to ensure equal economic opportunities. As one Hindu driver explained, "We sit together before the holiday season begins to plan the schedule. Everyone gets a fair chance. Religion doesn't matter." Such arrangements reveal that interfaith cooperation in Tengger is grounded in both ethics and pragmatism, measuring justice while maintaining efficiency.

Concrete cases further confirm the benefits of this national brotherhood. A Hindu craftsman producing fabric-based accessories collaborates with a Muslim craftsman to sell each other's products, increasing sales and reducing costs through shared distribution networks. Similarly, culinary traders of different faiths coordinate customer queues to ensure fairness and maximize income for both parties. When disputes arise, they are resolved through collective deliberation and consensus rather than confrontation. This model of cooperation reflects tolerance and social justice, giving every actor a sense of security and belonging. As observed in the field, MSME actors involved in such collaborations are more resilient and successful because they gain wider social support, market access, and shared promotion. From an Islamic ethical perspective, this interfaith cooperation also fulfills the objectives of *maqāṣid al-sharī'ah*, particularly *ḥifẓ al-māl* and *maṣlahah*, since protecting each other's rights and ensuring fair distribution of opportunities strengthens both wealth preservation and communal welfare. Thus, *ukhuwah wathaniyah* in the Tengger context represents not only a moral value but also a viable economic strategy for fostering inclusive growth and long-term stability.

Equally significant is the internalization of *ukhuwah basyariyah*, the spirit of humanitarian brotherhood that transcends religious and cultural boundaries. MSME activities in the Tengger region are not purely economic; they represent an ethical expression of humanity grounded in mutual help, empathy, and social balance. Economic exchange is perceived as part of a larger human relationship built on compassion and responsibility. This attitude grows from a long-standing local philosophy, *harmonis agawe santos*, the belief that true prosperity arises only through social harmony. In daily practice, these human values are visible in the mutual assistance between traders of different faiths. In Ngadisari village, for instance, a Hindu souvenir craftsman often helps his Muslim colleague repair display shelves, while the latter promotes his products online during the low tourist season without formal contracts or profit-seeking motives. Their cooperation is sustained by trust, moral responsibility, and mutual respect, hallmarks of *ukhuwah basyariyah*.

Transparency and honesty are other core manifestations of humanitarian ethics among Tengger MSME actors. Many traders openly declare prices and ingredient quantities, believing that honesty brings spiritual blessings and trust. As one culinary trader explained, "If we deceive people about prices, our income won't be blessed. Better to earn less but be trusted." Such convictions indicate that economic success is inseparable from moral integrity. The humanitarian ethos is also evident in the culture of mutual assistance: when one trader falls ill, others often take over their stall or help sell



their products without demanding compensation. Researchers observed at the Cemoro Lawang Tourist Market that this habit has become an ingrained social norm. Likewise, traders often show empathy toward customers offering free warm water to tourists in cold weather or lowering prices for those who genuinely cannot afford them. These acts of kindness affirm that business in Tengger is not merely transactional but relational, fostering human connection and compassion.

Such practices align closely with Islamic teachings on *ta'āwun* (mutual help) and *ihsan* (doing good). In the framework of *maqāṣid al-sharī'ah*, these behaviors fulfill the objectives of wealth protection (*ḥifẓ al-māl*) and public benefit (*maslahah*). Economic achievement in this sense cannot be separated from moral responsibility and social justice; it must contribute to the collective well-being. The rejection of exploitative practices, monopoly, and unfair competition among Tengger MSMEs demonstrates their awareness that social balance and justice are the foundation of sustainable prosperity. In this way, economic relations become a reflection of shared humanity rather than rivalry, serving as a form of moral civilization deeply rooted in honesty, solidarity, and compassion.

Altogether, the internalization of Islamic, national, and humanitarian brotherhood values among MSME actors in Tengger reveals a distinctive model of ethical economics. It demonstrates how moral values and economic rationality can coexist harmoniously in a pluralistic setting. The Tengger MSME community has successfully transformed business from a mere instrument of profit into a social mechanism for building trust, fostering inclusivity, and sustaining communal welfare. Their experience proves that economic harmony arises not from uniformity, but from mutual respect and shared ethical commitment a living example of how faith, nationhood, and humanity intertwine to shape a resilient and civilized economic culture.

DISCUSSION

1. MSMEs in Increasing Competitiveness

The behavior of MSMEs in the Tengger-Semeru region reflects a harmonious integration of economic rationality and Islamic moral spirituality. This behavioral pattern is not solely based on conventional market strategies but is also built on Islamic ethical values such as honesty (*ṣidq*), justice (*'adl*), responsibility (*amānah*), and *ihsan*, which collectively form the moral basis for community economic activity. Internalizing these values makes the Tengger community's economic activities not merely an effort to seek profit, but also part of a social and spiritual practice that fosters a balance between materiality and the common good .

The concept of Islamic business ethics is based on the principles of honesty (*Sidq*), justice (*'adl*), responsibility (*amanah*), and goodness (*ihsan*). These values serve as moral guidelines for business actors, ensuring that economic activities are oriented not only toward material gain but also toward social well-being. Islamic business ethics creates a balance between spirituality and professionalism in the economy, thus



encouraging distributive justice in the market system. By implementing Islamic ethics, MSMEs are able to build consumer trust and maintain business sustainability.¹⁶

MSME competitiveness is the ability of a business to survive and excel in a competitive market through innovation, efficiency, and adaptation to environmental changes. Increasing competitiveness is determined not only by financial capital, but also by the capacity of human resources, social networks, and the ethical business values adopted by MSMEs. The integration of Islamic values such as honesty, cooperation, and social responsibility is a crucial factor in strengthening sustainable competitiveness.¹⁷

Business Ethics Transformative Based Brotherhood. Concept This put Islamic moral values do not only as guide ethical individual, but as *machine socio-* economically capable transform behavior business going to system economy collaborative, inclusive, and equitable. Ethics does not Again just controller behavior economy, but rather become strength productive and constructive trust, expanding network social, and create market stability.

With Thus, the novelty study This lies in its ability constructing a power model MSME -based competitiveness Islamic ethics and brotherhood, which combine rationality economy with moral spirituality. Paradigm This expand understanding about Islamic economics from orientation normative going to practice concrete and contextual social, where ethics, justice and welfare become factor strategic in build Power sustainable competitiveness in society multi-religious like Tengger – Semeru

2. Social Harmonization

Social harmony in the Tengger region plays a significant role in strengthening the performance and competitiveness of MSMEs. The socio-economic life of the community in this region is based on balanced interfaith relations, the practice of mutual cooperation, effective conflict resolution mechanisms, and the use of social networks as economic capital. Despite the imbalance in religious composition approximately 70% of MSMEs are Hindu and 30% are Muslim intergroup relations remain harmonious and productive. Interfaith interactions take place in an atmosphere of mutual respect and prioritize the values of *ukhuwah basyariah* and *ukhuwah wathaniyah*, which encourages the creation of a fair, collaborative, and mutually beneficial economic system.

Research conducted by Kurniawan Ramadhani 2024 entitled. Religious Harmony and Improving the Community's Economy in Resin Plantations Pakel Village Lumajang. The harmony of religious communities in the resin plantations of Pakel Village, Gucialit District, Lumajang Regency, living side by side between two religious communities, namely by realizing that they need each other in their survival, so that between religious communities they put aside their religious differences in improving the village economy from the results of resin which is processed into raw materials for incense

¹⁶ Sylvia Mufarrochah et al., "Business Ethics in Islamic Law: Implications for Modern Business Practices," *Jurnal Usm Law Review* 8, no. 1 (2025): 17–32, <https://doi.org/10.26623/julr.v8i1.11365>.

¹⁷ Kurniawati Darmaningrum et al., *Digital Transformation in MSMEs*, 2020.



or fragrances which are exported to foreign countries which aims to provide welfare in the sustainability of life.¹⁸

This research attempts to fill this gap by formulating a new concept, namely "Ukhuwah-Based Collaborative Economy", namely an interfaith economic system that makes ukhuwah a moral, spiritual, and social foundation in strengthening the competitiveness of MSMEs. Through this formulation, ukhuwah is not only understood as solidarity among Muslims (*ukhuwah Islamiyah*), but also includes the dimensions of *ukhuwah wathaniyah* (nationality) and *ukhuwah basyariyah* (humanity), thus creating a space for inclusive economic collaboration amidst religious and cultural diversity.

3. Internalization of Islamic Brotherhood in Business Practice

The internalization of the value of ukhuwah (brotherhood) in the Tengger region is reflected through three complementary dimensions: ukhuwah Islamiyah (Islamic brotherhood), ukhuwah wathaniyah (national brotherhood), and ukhuwah basyariyah (Islamic brotherhood). At the level of ukhuwah Islamiyah (Islamic brotherhood), Muslim MSMEs demonstrate economic solidarity by sharing capital, marketing each other's products, and maintaining ethical competition. These practices reflect the principles of *maqāsid al-syarī'ah* (the principle of welfare and welfare), especially *ḥifẓ al-māl* (benefit for the welfare of others) and *maṣlahah* (benefit for the welfare of others), and emphasize the importance of justice, trustworthiness, and collaboration in economic sustainability. Ukhuwah wathaniyah (brotherhood) is evident in interfaith cooperation between Muslim and Hindu MSMEs, which upholds justice, equality, and deliberation in business management. This collaboration strengthens social harmony and national spirit within an inclusive economic framework. Meanwhile, ukhuwah basyariyah emphasizes a humanitarian orientation in economic practices through honesty, empathy, and mutual assistance, reflecting the values of *ta'awun* (community service) and *ihsan* (community charity). These three dimensions form an ethical, collaborative, and just economic ecosystem. The integration has given birth to a socio-economic model based on spirituality, solidarity, and humanity that strengthens the competitiveness of MSMEs while maintaining social harmony in the Tengger community.

Luthfatul Qibtiyah (2023) entitled "Internalization of Islamic Brotherhood Values Through Religion". This study uses a Qualitative method with a Case Study approach, located in Karang Cempaka Village, Buto District, Sumenep Regency. The focus of this study is to describe the process of internalizing Islamic Brotherhood values through community religious activities, especially the Rukun Kifayah tradition, which includes tahlilan activities, joint prayers, and rotating social gatherings at members' homes. Data analysis follows the Miles, Huberman, and Saldana model, covering three main stages of internalization: value transformation, value transactions, and transinternalization. The results of the study indicate that the values of Islamic brotherhood, such as mutual assistance, solidarity, and mutual cooperation are deeply embedded through these socio-religious practices. The main supporting factors are the cohesiveness of residents and the support of village officials, while the obstacle is differences of opinion between members which are resolved through deliberation. This research contributes

¹⁸ Ramadhani and Faizal, "RELIGIOUS HARMONY AND IMPROVING THE COMMUNITY'S ECONOMY IN RESIN PLANTATIONS PAKEL VILLAGE LUMAJANG."



to showing how local traditions can be an effective medium in strengthening the values of Islamic brotherhood in rural communities.¹⁹

This study presents the idea of a *Brotherhood-Based Collaborative Economy* as an extension of the meaning of brotherhood from social relations to a productive and just interfaith economic system; empirically, this study finds the practice of social harmony and economic solidarity in the Tengger region as a model of transformative collaboration between religious communities in strengthening the competitiveness of MSMEs; and theoretically, this study develops an Islamic economic paradigm that combines spiritual values with pluralistic socio-economic dynamics. Thus, this study enriches the treasury of Islamic economics towards a humanistic, inclusive, and just socio-economic paradigm, based on the value of brotherhood and oriented towards the collective welfare of multi-religious communities.

CONCLUSION

Transformative Business Ethics Based on Brotherhood constitutes a sustainable and applicable model for strengthening MSME competitiveness within plural societies. By integrating ukhuwah Islamiyah, Wathaniyah, and Basyariyah as ethical and social capital, Islamic moral values are transformed into productive forces that transcend religious and cultural boundaries, fostering trust, solidarity, and social harmony within inclusive economic collaboration. Should extend this framework through empirical validation across diverse socio-economic settings and employ longitudinal and interdisciplinary approaches—linking Islamic economics, behavioral studies, and social anthropology—to examine how moral and spiritual capital sustain competitiveness over time.

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¹⁹ Qibtiyah, “Internalization of Islamic Brotherhood Values Through Religious Activities.”



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