

## THE POTENTIAL OF LOCAL WISDOM AS A PILLAR OF SHARIA-BASED ECONOMY IN JAMBI PROVINCE

Yuliana<sup>1</sup>, Andika Aditiawarman<sup>2</sup>, Salmiah<sup>3</sup>, A. Yuli Tauvani<sup>4</sup>, Novriana Dewi<sup>5</sup>

<sup>1</sup>The Muhammad Azim Islamic Institute of Jambi, yuliana.tebo@gmail.com

<sup>2</sup>The Muhammad Azim Islamic Institute of Jambi, andikaaditiawarman@gmail.com

<sup>3</sup>The Muhammad Azim Islamic Institute of Jambi, salmiaumy@gmail.com

<sup>4</sup>The Muhammad Azim Islamic Institute of Jambi, ivantauvani@gmail.com

<sup>5</sup>The Muhammad Azim Islamic Institute of Jambi, dewinovriana@gmail.com

### ABSTRACT

*This study explores the potential of local wisdom in Jambi Province to support the development of a sharia-based economy. Using a qualitative and exploratory-descriptive approach, the research investigates how indigenous cultural values align with Islamic economic principles. Fieldwork was conducted across six diverse regions in Jambi – Kerinci, Sarolangun, Tebo, Muaro Jambi, Jambi City, and East Tanjung Jabung – selected for their preservation of traditional economic practices. Data were collected through in-depth interviews with 15 purposively selected informants, including traditional leaders, MSME actors, Islamic cooperative managers, educators, and scholars. Complementary methods included participant observation of communal rituals and market activities, as well as document analysis of customary regulations and local economic records. Thematic analysis was employed to interpret data, revealing that practices such as gotong royong (mutual cooperation), musyawarah (deliberation), and ethical trading norms are deeply embedded in local life and reflect the ethical foundations of Islamic economics. These cultural elements not only guide economic interactions but also offer a sustainable model rooted in communal values. The study concludes that integrating local wisdom into the formulation of sharia economic policies can enhance their social relevance and effectiveness. Triangulation and ethical research practices ensured the credibility and integrity of the findings.*

**Keywords:** Local Wisdom, Sharia Economy, Jambi, Islamic Ethics, Local Economy

### INTRODUCTION

In recent decades, the emergence of Islamic economics as an alternative system has garnered significant attention among scholars, policymakers, and economic practitioners. This system is seen as capable of integrating moral principles, social justice, and economic efficiency elements often perceived as lacking in conventional economic frameworks (Chapra, 2000). Islamic economics is not merely a faith-based financial system, but also a development paradigm that emphasizes balance between material and spiritual dimensions. As the world's most populous Muslim-majority country, Indonesia holds considerable potential for advancing an Islamic economic model rooted in local values. Among its diverse provinces, Jambi stands out due to its distinct socio-cultural characteristics. Rich in living traditions, the province continues to uphold local wisdom such as communal cooperation (gotong royong), consensus-based decision-making (musyawarah), and ethical practices in traditional commerce. These customs

are part of the cultural legacy and echo the fundamental Islamic economic principles (Zulkarnain, 2015). This is an indication that at local level, Islamic economics does not only serve as a top-down instrument, the bottom up way also breathes new spirit to the old local values.

Local knowledge has been commonly described as a repository of accumulated knowledge, norms, and practices based on interactions and relationships which developed overtime between communities and the environment (Keraf, 2010). Economically, however, that wisdom represents an important social and cultural asset that can sustain social and economic community resilience in, particularly, grassroots and community-based economies. Yet the practicalisation of Islamic economics in Indonesia is mainly in the formal sector, especially in the area of banking and finance which ignores the viewpoint of local walks of life to support micro and small scale economic structure (Antonio, 2001).

Nowadays, cultural entities are considered as a strategic element, as an engine of economic growth and social welfare, but also as an investment for a Country's future and for the progress of Mankind. In this context, the importance of mapping the present socio-cultural condition of Indonesian society is also significant in the sense that national development policies can be oriented based on actual data. The 2021 Socio-Cultural Statistics, which is released every three years, explains the problem of multi-dimension such as the availability of information, participation in sports, socialization and participation in the Object of Cultural Advancement (OPK), The source of data of chapter 6 is from National Socioeconomic Survey (Susenas) 2021 and survey-KOR MSBP (BPS, 2021).

Jambi, as a region with densely proud of its malay cultural roots, has local wisdom that provide gestures of mutual support, morality, and togetherness. These fit in well with the primary Islamic economic postulates of justice, prohibition of interest (riba), profit-and-loss sharing, and equitable socio-economic distribution. This research has the objective to investigate Jambi traditional wisdom as a base for Islamic-based local economic development. Despite this potential, there has been limited scholarly inquiry explicitly connecting local wisdom with the practical application of Islamic economics at the provincial level particularly in Jambi. This gap highlights an opportunity to develop a more contextual, inclusive, and sustainable economic model. By identifying and analyzing local practices that mirror Islamic values such as justice ('adl), cooperation (ta'awun), and trustworthiness (amanah), this study seeks to explore the transformative potential of local wisdom as a foundational element in building a Sharia-compliant economic system tailored to the societal character of Jambi.

Notwithstanding all these potencies, scholarly works on local wisdom that are related to the implementation of Islamic economics at provincial level, especially in Jambi, have been few. This void opens an opportunity for constructing a more contextual and inclusive economic framework. Through discovering, understanding, and reflecting on local practices which reflect Islamic value, such as justice ('adl), cooperation (ta'awun), and trust (amanah), it is possible that local wisdom contains potential energy for transformation as an institution in the development of a Sharia-compliant economy system based on the local character of Jambi society.

Traditionally, Jambi's local wisdom was not only a reference for ethical conduct and conflict resolution but also an economic life to informal regulation. In agrarian communities along Batanghari River, for example, traditional norms have certain influence on resource sharing,

seasonal labor management and market behaviors. These traditional-based modalities are in line with the values of Islamic economics such as *maslahah*, *'adl*, and *ukhuwah*, As Mujahidin (2017), argues, “local wisdom serves as the cultural filter, facilitating the localization of Islamic economic practices and its legitimation”. However, the incorporation of the values of local cultures into the Jambi’s formal Islamic economic policy is still limited and is fragmented. Government projects are characteristically top-down and frequently overlook the potential that locally-driven value-based economic models can provide. This gap reflects a wasted opportunity for a more participatory and sustainable Islamic economic model.

Furthermore, the factors of globalization, urbanization, and modernization have led to the degradation of traditional values in a number of Jambi’s rural villages. The younger generation pays less attention in adhering to such society practices for social stimulation, while the contemporary education is not always corresponded to the local realities (Rapiqi, 2022). Without focused efforts to revitalize and establish local wisdom, Jambi risks losing a cultural asset that could provide a competitive edge in creating a contextual and inclusive Islamic economy. The economic activities of local communities are inextricably linked to their cultural values. In Jambi, for instance, economic expressions of local wisdom can be found in diverse areas such as the utilization of palm oil and rubber waste products, community cooperation, micro and small enterprises (MSMEs), traditional culinary businesses, home industries, and culture-based tourism.

Local economies play a fundamental role in improving community welfare in Jambi City. By encouraging citizen participation in local economic activities, the city can create an inclusive, self-sufficient, and sustainable economic system. Support from government, private sector, and civil society can accelerate Jambi’s transformation into a prosperous city driven from the grassroots rather than by centralized power or large-scale capital investment (Kompasiana). Given this background, the present study is significant in its effort to develop an Islamic economic framework that goes beyond normative or textual approaches. Instead, it seeks a meaningful understanding of how local knowledge in Jambi Province can help build a fair and sustainable Sharia-based economy. Specifically, it aims to answer this question: How can we use the potential of local wisdom in Jambi to support an inclusive and fair Islamic economic development model?

## **Objective of The Study**

This study aims to explore and assess the potential of local wisdom in Jambi Province as a foundational element in the development of a Sharia-based economic system. It seeks to examine how traditional values and indigenous practices align with Islamic economic principles, and how these local resources can be strategically empowered to support a more equitable and sustainable economic structure within the community.

## **LITERATURE REVIEW**

### **The Concept of Local Wisdom**

Local wisdom is a set of values, norms, practices, and knowledge developed and maintained within a community. It evolves as a response to its social, cultural, and ecological environment. Passed down through generations, local wisdom helps preserve social harmony and maintain ecological balance (Keraf, 2010). In Indonesia, local wisdom often manifests as a whole,

blending spiritual, economic, and social-cultural aspects. This type of indigenous knowledge is a cultural asset that guides community-based life strategies. For example, local communities manage economic resources based on long-standing traditions and shared beliefs. Laksono (2020), states that in his work on functional literacy based on local potentials, community economic behavior shows values that emphasize well-being and ethical conduct, especially in everyday livelihood practices.

Rahyono, (2009) defines local wisdom as a cultural construct that informs a community's worldview and guides its decision-making processes when navigating life's challenges. In Jambi Province, customary values such as *besedukun* (customary cooperation), *sako-pusako* (collective land rights), and the practice of communal deliberation embody a deeply rooted ethical framework that is also relevant to economic conduct. Local wisdom, therefore, is not merely a cultural phenomenon; it embodies ethical and economic principles that can serve as foundational elements for building equitable and sustainable economic systems (Tilaar, 2007). Ignoring these values in development strategies may result in social disintegration and widened inequalities.

### **Core Principles of Islamic Economics**

Islamic economics is rooted in the moral and legal teachings of Islam, emphasizing values such as justice (*al-adl*), balance (*al-mizan*), transparency (*al-bayan*), and mutual cooperation (*ta'awun*) (Chapra, 2000). Unlike conventional economic systems that are profit-centric, Islamic economic frameworks aim to promote holistic well-being and divine blessings. All transactions in Islamic finance must avoid *riba* (usury), *maysir* (gambling), and *gharar* (excessive uncertainty). Instead, it encourages risk-sharing and ethical investment through mechanisms such as *mudharabah* (profit-sharing), *musyarakah* (partnership), and *zakat* (mandatory almsgiving), which serve to redistribute wealth fairly (Antonio, 2001).

According to Khan and Mirkohar (2004), the development of an Islamic economic system is feasible within the framework of modern economics, provided that its core normative values are upheld. In Indonesia's context, the success of Islamic finance at the micro level is largely influenced by how well these principles are integrated with local cultural and social dynamics. The increasing integration of Islamic financial principles into national development strategies reflects a growing interest in ethical, inclusive economic alternatives. According to the Indonesian Islamic Economic Masterplan 2019–2024, the government aims to position Indonesia as a global hub for Islamic economics through the promotion of the halal industry, Islamic finance, and a supportive socio-economic ecosystem (KNEKS, 2009). Jambi, with its untapped natural resources and strong cultural identity, offers a strategic case study for exploring how local traditions can be aligned with this national vision.

### **Intersections between Local Wisdom and Islamic Economics**

The convergence between local wisdom and Islamic economics can be analyzed through a substantive lens, emphasizing the alignment of shared ethical and communal values. Although many traditional practices are not derived from formal religious doctrine, they often embody principles consistent with Islamic ethics (Hery, 2020). For instance, communal cooperation in farming and trade practices in Jambi mirrors the Islamic economic principle of *syirkah* or *musyarakah* (partnership and collective enterprise). Recent global discussions have

increasingly recognized the importance of culturally rooted, localized economic systems, particularly in regions with rich cultural heritage and strong religious values. Located on the eastern coast of central Sumatra, Jambi represents a prominent example of how traditional knowledge and Islamic economic principles can intersect. The majority Muslim population of Jambi maintains a deep connection to Malay cultural traditions, evident in its customs, oral literature (*seloko adat*), and deliberative social norms such as *gotong royong* (mutual assistance) and *musyawarah* (communal decision-making) (Noor, 2009).

The practice of *musyawarah* in resolving community issues parallels the Islamic principle of *shura* (consultation), as referenced in Surah Ash-Shura: 38. Similarly, the emphasis on honesty in trade within Jambi's customary law aligns with the Prophet Muhammad's teachings on the virtue of ethical merchants (Tirmidhi, Hadith No. 1209). Furthermore, research by Fauzi and Setiawan (2021) highlights that integrating local cultural values with Islamic economic principles can enhance public trust and participation in Islamic microfinance institutions. This hybrid approach offers a viable strategy for advancing a more inclusive and culturally embedded Islamic economic system.

### **Previous Studies**

Several earlier studies have explored the relationship between local wisdom and the development of Islamic economics. For example, Arifin (2017) examined indigenous economic practices among traditional communities in Kalimantan and found that shifting cultivation systems were underpinned by values of equity and communal distribution. Likewise, Nurhadi (2019) identified informal, culturally grounded Islamic financial systems in West Sumatra, organized through cooperatives and local *baitul maal* institutions.

However, academic inquiry specifically focused on Jambi Province remains limited, especially in regard to how its local wisdom might be integrated into a broader Islamic economic framework. This gap in the literature underscores the significance of the current study, both in terms of theoretical contribution and practical implications.

## **RESEARCH METHODOLOGY**

### **Research Approach and Type**

This study employs a qualitative approach with an exploratory-descriptive design. A qualitative approach was selected to allow for an in-depth understanding of the underlying meanings embedded in social practices, cultural values, and local economic system (Creswell & Poth, 2018). Rather than aiming to measure variables, this method seeks to interpret and uncover meanings within specific social contexts in this case, the local wisdom of communities in Jambi Province within the framework of Islamic economics.

### **Research Location and Participants**

The research was conducted in various regencies across Jambi Province, specifically in Kerinci, Sarolangun, Tebo, Muaro Jambi, Jambi City, and East Tanjung Jabung. These locations were purposefully chosen to represent the broader cultural and economic diversity of the region. Moreover, the communities in these areas continue to uphold traditional values and indigenous economic practices, which are believed to align with Islamic economic principles.

The research participants included traditional leaders, local MSME actors, Islamic cooperative managers, educators, youth, and scholars from regional universities. Informants were selected through purposive sampling, based on their knowledge, experience, or direct involvement in local and Islamic economic practices (Patton, 2015). A total of 15 key informants were interviewed in-depth.

### **Data Collection Methods**

Data were gathered using three primary techniques:

- 1) *In-Depth Interviews:*  
Semi-structured interviews were employed to enable participants to express themselves freely, while still adhering to thematic guidelines. The questions centered around economic values embedded in traditional customs, indigenous trading practices, and perceptions of Islamic economics.
- 2) *Participant Observation:*  
The researcher actively participated in traditional rituals, local market activities, and village deliberations to observe naturally occurring social and economic dynamics. This method was crucial for capturing contextual nuances not easily revealed through interviews alone (Spradley, 1980).
- 3) *Document Review:*  
Supporting documents were collected, including customary regulations, village meeting records, Islamic cooperative reports, and local historical texts. These materials served to triangulate and reinforce findings from the interviews and observations.

### **Data Analysis Techniques**

The collected data were analyzed using thematic analysis, involving the identification, categorization, and interpretation of key themes emerging from the field data (Braun & Clarke, 2006). The analysis proceeded in several stages:

- 1) Transcribing and thoroughly reviewing the data,
- 2) Coding relevant narratives,
- 3) Grouping codes into thematic categories,
- 4) Interpreting meanings based on the intersection of Islamic economic principles and local cultural context.

To ensure the validity of the findings, data triangulation was applied by comparing the results of interviews, observations, and document reviews, thereby ensuring the consistency and reliability of the information (Miles, Huberman, & Saldana, 2014).

### **Research Ethics**

This study was conducted with strict adherence to ethical standards. Informed verbal consent was obtained from all participants prior to interviews and observations. Participant identities were kept confidential to safeguard their privacy. The researcher-maintained neutrality throughout the process and avoided imposing personal interpretations on participants' narratives.

## **RESULTS AND DISCUSSION**

### **Socioeconomic Characteristics of Local Communities in Jambi**



The communities in Jambi Province, particularly those residing in rural areas such as Kerinci, Sarolangun, Tebo, Muaro Jambi, and East Tanjung Jabung Regency, continue to uphold a collective way of life that emphasizes mutual cooperation among residents. Based on field observations and interviews, the majority of respondents are engaged in informal yet culturally organized economic activities, including farming, small-scale trading, and handicraft production. Their daily interactions are characterized by a strong sense of solidarity, honesty, and communal decision-making values deeply rooted in their local customs. These social norms are reinforced by the enduring strength of customary institutions, such as the presence of *ninik mamak* (traditional elders), village deliberation forums, and customary legal systems that operate alongside formal law. This integration reflects that economic life in these communities is not solely transactional but is also embedded in moral and cultural frameworks that guide behavior.

#### **a. Demographic Composition**

Most of the interviewed participants fall within the productive age group (25–65 years), with the majority having completed secondary education. In rural areas like Tebo and Sarolangun, educational attainment tends to be lower than in urban centers such as Jambi City, where access to schools and other educational facilities is significantly better.

#### **b. Primary Livelihoods**

Livelihood patterns vary considerably across the different regions. In Kerinci and East Tanjung Jabung, agriculture and fisheries serve as the primary sources of income. Kerinci's highland areas are known for commodities such as coffee, potatoes, and cinnamon. Meanwhile, in coastal areas like East Tanjung Jabung, the community largely depends on capture fisheries and aquaculture. In places like Muaro Jambi and Sarolangun, many residents are involved in plantation-based work, particularly in oil palm and rubber cultivation. These findings align with previous studies, such as by Suyanto (2018), which noted that "the expansion of the oil palm sector in Jambi has significantly altered rural household economic structures".

#### **c. Income and Welfare Levels**

Income levels vary across the province, depending largely on the sustainability of main livelihood activities and the degree of market access. Communities in Muaro Jambi generally enjoy more stable incomes due to their proximity to Jambi City, the provincial economic hub, which facilitates both the distribution of agricultural products and access to non-agricultural employment. Conversely, residents in areas such as Tebo and Sarolangun face persistent income disparities due to underdeveloped infrastructure. Many households in these regions fall within the lower-income bracket and experience limited access to essential services such as healthcare, education, and banking. This is corroborated by data from the Central Bureau of Statistics (BPS, 2022), which indicates that the Human Development Index (HDI) in these regencies remains below the provincial average.

#### **d. Access to Resources and Public Services**

Urban centers like Jambi City usually have better access to clean water, sanitation, electricity, and internet. In contrast, many people in Tebo and Sarolangun still depend on natural water sources and do not have stable access to electricity. These challenges impact their quality of life and slow down the growth of local microeconomies. Such disparities create major challenges in creating inclusive development policies. As noted by Chambers (1995), Poverty is not just about

having low income. It also includes limited access to essential services, information, and opportunities for civic participation.

#### **e. Social Capital and Institutional Structures**

In the regions studied, local communities continue to depend on traditional systems of mutual assistance, known as *gotong royong*, and customary institutions in their daily lives. This is especially clear in Kerinci and Sarolangun, where traditional leaders and local stakeholders play key roles in managing the use of natural resources. This supports Uphoffs (2000) social capital can play a vital role in sustainable development, particularly in places where government involvement is limited. In summary, the socioeconomic traits of communities in the six research locations show a complex and context-dependent landscape. Geographic diversity, accessibility, and local economic structures strongly influence their current conditions. Therefore, development strategies need to be adjusted to these local specifics to achieve more effective and sustainable results.

#### **Communal Cooperation as a Reflection of *Musyarakah* Principles**

In several local situations, communal work (*gotong royong*) have the tradition, and usually starts with a community-level meetings. In Kerinci Regency, for instance, villagers hold periodic meetings to collectively determine how they will coordinate work activities like cleaning irrigation canals or fixing rural roads. These procedures are performed openly with wide participation and consensus as a criterion. This is a symbolic practice that represents the principle of deliberation (*musyawarah*), the fourth tenet of Pancasila (Indonesia's foundational philosophical doctrine), which permeates daily social interactions.

The same phenomenon was also found in Sarolangun and Muaro Jambi Regencies. Based on intensive interviews and field observation, every *gotong royong* activity that is held relating to religious matter such as mosque construction or culture matter such as rewritten a traditional house after the disaster for example begins with discussion. Such consultations are comprehensive, including not only VG officials and traditional leaders but also residents in general, whose views are sought by all. This further emphasizes the nature of *gotong royong* as not being a forced one, but rather a decision based on mutual agreement and done with willing heart. "The spirit of *gotong royong* is not just working together it's about sitting together, discussing together, deciding together," said a respected community figure in Jambi City. If there is not agreement, then the work doesn't start (Interview, 2025). This statement clearly illustrates the intrinsic connection between *musyawarah* and collective action within Jambi society.

Furthermore, the study found that deliberation-based *gotong royong* plays a critical role in enhancing social cohesion. In Tebo and East Tanjung Jabung Regencies, these activities are often used as platforms to strengthen intergenerational and interfaith relations among people of different social backgrounds. Core values such as transparency, mutual respect, and shared responsibility are consistently evident in the deliberative stages prior to communal labor. Theoretically, this finding is in line with the views of Koentjaraningrat's (2009), who states that mutual cooperation is a form of social solidarity that arises from the community's collective awareness of the importance of living together in harmony. Within this framework, *musyawarah* operates as a social mechanism that ensures decisions are made democratically, free from coercion, and respectful of all voices. Tilaar (2002) also asserts that *musyawarah* constitutes an active form of community participation in decision-making an element that is frequently embodied in Indonesian communal traditions such as *gotong royong*. Thus, it can



be concluded that mutual cooperation is not just physical work together, but is also a real reflection of participatory democratic values based on local wisdom.

### Social and Cultural Implications

This study demonstrates that the practice of *musyawarah* within the context of *gotong royong* plays a vital role in reinforcing local cultural identity while also serving as a social pillar that supports community stability and resilience. In the broader context of regional development, local authorities should actively support and protect practices that are locally driven and participatory, especially during community-based initiatives. Forms of communal cooperation, rooted in local culture, provide a meaningful model of democracy that is relevant and sensitive to the context. This reflects the values and knowledge of indigenous communities. Preserving these practices is essential for maintaining cultural heritage; it is also important for fostering civic awareness and political understanding at the grassroots level.

One of the most enduring forms of local wisdom in Jambi communities is the application of *gotong royong* in agriculture, home construction, and social events such as weddings or harvest celebrations. From an economic viewpoint, this cooperative tradition shows the Islamic principle of *musyarakah*, which is a partnership model based on shared capital and teamwork. In this model, all participants share both the responsibilities and the benefits. (Antonio, 2001). For example, in Gunung Raya District, Kerinci Regency, farmer groups use a "turn for labor" system. In this system, all group members take turns helping each other with land work. There is no direct pay involved, but it operates on the principle of reciprocal fairness. This practice aligns with the principles of *ta'āwun* (mutual help) and *'adl* (justice), which are the foundations of Islamic economics. (Chapra, 2000).

### Traditional Trade Ethics and the Value of Amanah

Results of field interviews and observations show that ethical principles in traditional markets play an essential role almost to the same degree as before in socio-economic interactions between traders and buyers. These ethical principles involve the honesty of the trades and the setting of prices which also mirror the values of social responsibility, trust, and fairness in transactions. It was observed that merchants in traditional markets over Kerinci and Sarolangun Districts preserved cultural norms that were deeply rooted in the local customary and religious values. For instance, a significant number of them refrained from unilaterally increasing the prices during the period of demand that often occurs at the time of festivities, such as the celebration of religious holidays. Such a move indicates a moral consciousness which bundles social welfare with the profits of the business. This concurs with Al-Ghazali's point of view as cited in Syahidin (2013), who argued that ethical trade is one that considers the public good, not just private profit.

The concept of *amanah* trustworthiness and responsibility is central to ethical trade practices in traditional markets. Here, *amanah* is not limited to honesty but extends to integrity in fulfilling the moral obligations of being a fair trader. Interviewees from Jambi City and Tebo Regency shared that maintaining family and community reputations is vital, and trust from customers is seen as more valuable than short-term profits. In the East Tanjung Jabung Regency, it is a common occurrence for the seller and the buyer to engage in credit transactions without having any formal agreements. They just rely on trust. This custom is a reflection of how the concept of *amanah* still holds the base of the socio-economic system of the region. As mentioned by Yusuf (2017), the practice of *amanah* in trade is one of the internalizations of religious principles in the everyday lives of Muslim Indonesians.

There are instances when amanah is closely associated with the right to know in terms of the quality and the origins of the goods. For instance, those dealing with agricultural products in Muaro Jambi do not hesitate to reveal whether the products are truly organic or have been treated with pesticides. Usually, organic products will take a leading role in the market with their higher selling prices, but still, there will be a good number of consumers who prefer to buy from the vendors who are trusted rather than focusing on the lowest cost. These outcomes imply that the aforementioned traditional principles of ethics in trade, as well as the concept of amanah, do not merely function as one of the moral virtues but are also one of the main types of social capital, which fosters local economic networks. This social capital is instrumental in the organization of sustainable economic relationships between market actors, and also serves their overall social stability.

This shows the Islamic moral economy approach framework, which highly ranks the role of moral characters (akhlaq) in commercial transactions (muamalah). According to this theory, the activity of trading is not merely an economic one, but also a spiritual one, and at the same time, a social service. Nasution (2015) states that's Amanah amanah is the basis of the Islamic business system, as it builds trust, which is the most important component of the economic structure. Despite changes and advances, traditional market vendors from the Jambi Province region are still true to the values of honesty and responsibility in their business dealings. Interviews with five traders at Angso Duo Market and Tanjung Bungur Market in Muaro Tebo revealed that pricing is usually negotiated with full transparency, and the malpractices of hoarding are almost non-existent. In addition to that, traders deliberately refrain from taking any exploitative moves beforehand or aiming at making superfluous profits. An answer referred, "In the case where a merchant is without honesty, sooner or later customers will go away". Here, trading is not just about profit it's about preserving the family's good name." This mindset reflects the amanah value in Islamic economics, where trust is considered a foundational pillar of all transactions (Mirakhor & Askari, 2010). Often, these ethical standards will be more influential than the official rules in a lot of situations.

### **Traditional Deliberation as a Shura Institution in Economics**

In Jambi's native Malay villages, the collective decisions such as land use, sharing the profits of communal plantations and the co-operative management are traditionally confirmed by village deliberations (musyawarah desa). Such meetings usually imply wide community participation, even in some cases the involvement of women, and resemble the Islamic concept of shura as laid down in the Qur'an (Ash-Shura: 38), which requires democratic and inclusive decision making for common issues. The findings at the ground level reveal that traditional communal decision-making (musyawarah adat), which is conceptually similar to shura in Islamic governance, is still a very influential community-level decision-making unit among indigenous people. The community decision-making process still goes on in these communities even in times of conflict or in social affairs besides these, they also cover important economic domains such as the management of natural resources (forests, land, and water), the distribution of agriculture, communal labor arrangements, and the administration of social funds. One example is the use of natural or customary institutions in Kerinci Regency, where these institutions are the major players in defining planting schedules and the rotation systems of the land. These choices are the outcome of collective decision-making of the village leaders, ninik mamak (clan elders), and traditional authorities, which focus on consensus and communal interest rather than on market forces or individual preferences. This method not only keeps the ecological balance but also stabilizes farmers' incomes.

In the regencies of Tebo and Sarolangun, customary bodies regulate the profit-sharing mechanisms for communal rubber and palm oil plantations. By using conventional deliberative forums, the owners of the land, workers, and managers of cooperatives jointly come up with fair and ecologically sustainable plans for the allocation of resources. In such instances, communal deliberation functions as an effective economic institution that guarantees distributive fairness and advances participatory governance. A analogous arrangement can be found in Muaro Jambi and East Tanjung Jabung regencies, where the local coastal communities rely on traditional deliberation to establish fishing calendars and areas. The custom not only diminishes the potential for conflicts between different groups but also helps the marine ecosystem to be maintained. The said model reflects the Islamic societal concept of *ijtima'i*, which entails the balance between the rights of the individual and the good of the community.

### **Customary Deliberation as an Institution Grounded in Shura Principles**

In Islamic economic thought, shura means more than just a consultative process. It provides a framework that encourages active participation, transparency, and a strong sense of justice in collective decision-making, including issues related to economic life. (Chapra, 2000:221). In Jambi, these principles appear in local customs. Deliberation serves two purposes; it helps keep social ties strong and also plays an important role in the community's economy. These institutions are not separate from daily life. Instead, they are deeply integrated into the social structure, influencing resource management and decision-making. More importantly, *musyawarah adat* is a counterbalance to exploitative capitalist practices, most importantly in regions that are rich in natural resources. Decisions made in such consultative gatherings tend to place greater importance on long-term sustainability and social harmony and not necessarily short-term max profit.

This role relates to institutional theories presented by Ostrom, (1990), have noted that institutions based in local contexts are often more effective in managing common resources. These institutions rely on trust, shared norms, and meaningful participation. This effectiveness stands in contrast to top-down bureaucratic systems or unregulated market approaches. Customary deliberation is crucial for strengthening the social legitimacy of economic decisions. Its participatory and inclusive process helps make sure that outcomes are responsible to the broader community, not just a select few. Often, these traditional institutions are supported by strong moral and social norms, which include sanctions that help uphold fairness and order. These mechanisms show a strong connection to the principle of justice, which is central to Islamic economic thought. (Al-Qaradawi, 2001).

In essence, *musyawarah adat* functions as a traditional decision-making group based on the principles of shura. It plays an important role in shaping the economic framework of Jambi's indigenous communities. This practice not only promotes social unity but also reflects an inclusive and fair approach to economics. It offers valuable insights for improving sustainable development in a culturally rooted way. Feedback to this effect means that while many decisions based on customary practices come through deliberation and consensus by traditional councils, some are top-down directives from either village, district, or even central government authorities.. This contrasts with Zulkarnain's, (2015) study, which found that decisions reached via customary consensus are more widely respected and adhered to by local communities than those imposed by government institutions. This demonstrates the strong social legitimacy enjoyed by customary institutions in regulating local economic matters.

### **Integrating Local Wisdom into the Sharia Economic System**

Local phenomena suggest local values like mutual cooperation (gotong royong), deliberation (musyawarah), and trust (amanah) are, in a structural and substantive manner, very much alike to the principles of Islamic economics. Putting all these elements together not only helps in developing a Sharia-compliant economic system but also makes it culturally relevant, thereby improving community participation and application. The indigenous knowledge systems scattered across Jambi, especially in the regencies of Kerinci, Tebo, Muaro Jambi, the city of Jambi, and East Tanjung Jabung, comprise cultural characteristics and social norms that could fortify Islamic economic frameworks. Respect of the traditional avenues of deliberation, the universal work ethic, and longstanding economic collaboration models are natural expressions of the Islamic economic values such as distributive justice, prohibition of *riba* (usury) and mutual economic cooperation.

In Kerinci, traditional practices such as *seloko adat* and *semendo* exemplify cooperative agricultural resource management. These similarities emanate from Islamic notion of *shirkah* i.e. a partnership in business with mutual trust and profit sharing. Meanwhile, in Tebo and Muaro Jambi oral arrangements under customs (*urf*) continue to play a significant role in trade in agriculture, echoing closely the contractual principle of *akad* in Islam. In Jambi City, where modern governance and commerce intersect, there is an emerging synthesis of local traditions and modern values. Community-based Sharia cooperatives and neighborhood deliberation forums are being developed as alternatives to conventional financial systems. Meanwhile, on the East at Tanjung Jabung, the coastal community runs collective fishery and fair fish distribution in line with *mudharabah* and *musyarakah* approach.

As noted by Khan and Mirakhor (2004), the success of Islamic economics depends not on the legal and institutional structures of financial intermediation but on the level of internalization with regard to Islamic values in socio-economic behaviors. In this context, Jambi has the potential to develop a communitarian Islamic economic model based on local values rooted in local history. These findings are in line with the research of Fauzi and Setiawan, (2021), who emphasize the importance of culturally rooted methods for the effective development of Islamic microfinance. They point out that economic empowerment should not only depend on the community's normative framework but also on the formal institutional interventions.

## CONCLUSION AND RECOMMENDATION

### Conclusion

The research shows that the traditional knowledge of Jambi community is not only a cultural manifestation, but it also has a major role in designing a fair, inclusive and sustainable economic system. The main characteristics of the Jambi society which include gotong royong (mutual cooperation), musyawarah (deliberation) and ethical trading are deeply rooted not only as historical customs, but they also constitute the main pillars of Islamic economic system. The spirit of gotong royong closely correlates to the principles of partnership and equity, which are evident in the Islamic contracts of *musharakah* and *mudharabah*. Besides, the communal decision-making process in the village's economic matters corresponds with the role of *shura* (consultative processes) in Islamic governance. In addition, virtues such as the truth, trust, and responsibility which are the core of the trading community, show that concepts like *amanah* (trustworthiness) and justice in trade, besides being Islamic concepts, are also very much part of the local cultural framework.

Overall, the results emphasize a considerable synergy between traditional wisdom and Islamic economic teachings. The community of Jambi has, through their own initiative, established an economic system that is both moral and socially supportive. Hence, the revitalization of Islamic economics in the area is not only about the implementation of the changes in the systems and institutions but it also requires the integration of the cultural aspects. If local wisdom is placed at the center, the development of Islamic economics in Jambi can not only be more sustainable but also be a community-based economic growth empowered by the existing values which are known and practiced by the community.

## Recommendation

The research findings and implications of the study have been used to base a number of recommendations that are meant for policymakers, Islamic economic practitioners, and researchers of the future:

- 1) Local governments need to implement ethical economic policies based on local values that involve the traditional leaders, religious scholars, and community members in planning and implementing socio-economic programs comprehensively.
- 2) Islamic financial institutions are given the green light to come up with innovative and culturally sensitive ways of delivering their services that involve values such as mutual trust and communal cooperation (gotong royong) in financial transactions.
- 3) The learning institutions in Jambi region should come up with academic or outreach programs that combine local culture and Islamic economic theory as the subject matter. This would nurture a community of scholars who can contextualize indigenous knowledge within contemporary economic paradigms.
- 4) More investigation needs to be carried out with participation, living among the people, and close interaction with the community members as ethnography and focus on the study of the communities that govern themselves by customary laws in Jambi Province. It may reveal the economic value systems that have not been documented and make it easier to do comparative analysis with Islamic economic practices.
- 5) Forums on Islamic economics in the local community should be put in place as venues enabling interaction among economic actors, leaders in traditional communities, scholars, and officials. Such an initiative would sustain the development of a viable, participative, and locally applicable Islamic economic system.

## REFERENCES

- Al-Qadarawi, Yusuf. (20001). *Fiqh Al-Zakah: A Comparative Study*. Cairo: Al-Resalah Publishers.
- Antonio, M.S. (2001). *Bank syariah: Dari teori ke praktik*. Jakarta: Gema Insani.
- Arifin, Z. (2017). *Peran Kearifan Lokal Dalam Ekonomi Masyarakat Adat Di Pedalaman Kalimantan*. *Jurnal Ekonomi & Sosial Budaya*, 9(2), 115–130.
- BPS (2022). *Indeks Pembangunan Manusia Provinsi Jambi 2022*. Badan Pusat Statistik.
- Braun, V., & Clarke, V. (2006). *Using Thematic Analysis In Psychology*. *Qualitative Research in Psychology*, 3(2), 77–101. <https://doi.org/10.1191/1478088706qp063oa>
- Chambers, R. (1995). *Poverty and Livelihoods: Whose Reality Counts?* Brighton: IDS. hlm. 12.
- Chapra, M. Umer. (2000). *The Future of Economics: An Islamic Perspective*. Leicester: The Islamic Foundation.
- Creswell, J.W., & Poth, C.N. (2018). *Qualitative Inquiry and Research Design: Choosing Among Five Approaches* (4th ed.). SAGE Publications.



- Fauzi, A., & Setiawan, H. (2021). *Integrasi Nilai Lokal Dalam Pengembangan Keuangan Mikro Syariah*. Jurnal Ekonomi Islam dan Pemberdayaan, 6(1), 25–38.
- Hery, S. (2020). *Kearifan Lokal Dan Islam Nusantara: Integrasi Nilai-Nilai Budaya Dan Syariah*. Jurnal Budaya Islam, 22(1), 55–67.
- <https://www.kompasiana.com/fikrihamidi5250/6889db7a34777c1e2864ac24/peran-ekonomi-lokal-dalam-meningkatkan-kesejahteraan-masyarakat-kota-jambi> di akses pada 4 Agustus 2025 pukul 11.27.
- Keraf, S. (2010). *Etika Lingkungan*. Kompas.
- Koentjaraningrat. (2009). *Pengantar Ilmu Antropologi*. Jakarta: Rineka Cipta.
- Khan, M., & Mirakhor, A. (2004). *Theoretical Studies In Islamic Banking And Finance*. Islamic Research and Training Institute.
- KNEKS. (2019). *Indonesian Islamic Economic Masterplan 2019–2024*. Jakarta: Komite Nasional Ekonomi dan Keuangan Syariah.
- Laksono, B.A. (2020). *Keaksaraan Fungsional Berbasis Potensi Lokal (Studi Masyarakat Pandhalungan)*. Modern Press. ISBN 6239369403 / 978-6239369408.
- Miles, M.B., Huberman, A.M. & Saldana, J. (2014). *Qualitative Data Analysis: A Methods Sourcebook (3rd Ed.)*. SAGE Publications.
- Mirakhor, A., & Askhari, H. (2010). *Islam And The Path To Human And Economic Development*. Palgrave Macmillan.
- Mujahidin, Akhmad. (2017). “Peranan Kearifan Lokal dalam Pengembangan Ekonomi dan Perbankan Syariah di Indonesia.” JURIS (Jurnal Ilmiah Syariah) Vol. 15 No. 2 (2017), pp. ... Jakarta: Universitas Islam Negeri Mahmud Yunus Batusangkar.
- Nasution, M. (2015). *Etika Ekonomi Islam: Konsep Dan Aplikasi*. Medan: UMSU Press.
- Noor, Sihabudin. (2019). “Local Wisdom Based Da’wah in the Oral Tradition of the Jambi Malay Seloko Adat.” Ilmu Dakwah: Academic Journal for Homiletic Studies, Vol. 13 No. 2 (2019), pp. 233–249. Bandung: Ilmu Dakwah UIN SGD Bandung.
- Nurhadi, T. (2019). *Sistem Keuangan Informal Syariah Masyarakat Adat Di Sumatera Barat*. Jurnal Studi Ekonomi Islam, 7(2), 91–105.
- Ostrom, Elinor. (1990). *Governing The Commons: The Evolution Of Institutions For Collective Action*. Cambridge: Cambridge University Press.
- Patton, M.Q. (2015). *Qualitative Research And Evaluation Methods (4th Ed.)*. SAGE Publications.
- Rahyono, F.X. (2009). *Kearifan Lokal Dalam Pembangunan Bangsa*. Pustaka Pelajar.
- Ramadhani, Muhammad. (2025). “Kearifan Lokal dalam Kebijakan Penyusunan Ekonomi Syariah: Integrasi Nilai-Nilai Lokal untuk Pembangunan Berkelanjutan.” Jurnal Keuangan dan Manajemen Terapan, Vol. 6 No. 1 (2025).
- Rafiqi, M.; Habibullah, Fikri; Al-Ubaidah Maulana, Moch Ichsan; Putri, Nisa Aulia. (2022). “Perspektif Ekonomi Sumber Daya Alam Lingkungan Islam Terhadap Program Inovasi Desa Kasang Kota Karang.” Rizquna: Jurnal Hukum dan Ekonomi Syariah, Vol 2 No 2 (2022).
- Spradley, J.P. (1980). *Participant Observation*. Holt, Rinehart and Winston.
- Statistik, B.P. (2021). *Statistik Sosial Budaya 2021*. Badan Pusat Statistik. <https://www.bps.go.id/id/publication/2022/06/30/6a2dabc16d556ab9d075f918/statistik-sosial-budaya-2021.html> di akses pada 4 Agustus 2025.
- Suyanto, S., Khususiyah, N., & Hadi, D.P. (2018). *Perubahan Sosial Ekonomi Di Sekitar Perkebunan Sawit*. Bogor: World Agroforestry Centre (ICRAF). hlm. 42.
- Syahidin, A. (2013). *Etika Bisnis Dalam Perspektif Islam*. Bandung: Pustaka Setia.
- Tilaar, H.A.R. (2002). *Perubahan Sosial Dan Pendidikan*. Jakarta: Grasindo
- Tilaar, H.A.R. (2007). *Multikulturalisme: Tantangan-Tantangan Global Masa Depan Dalam Transformasi Pendidikan Nasional*. Grasindo.
- Uphoff. (2000). *Understanding Social Capital: Learning From The Analysis And Experience Of Participation*. In Dasgupta, P. & Serageldin, I. (Eds.), *Social Capital: A Multifaceted Perspective*, World Bank, hlm. 215–249.



- Yusuf, M. (2017). *Perdagangan Tradisional Dan Nilai Islam Dalam Masyarakat Lokal*. Jakarta: Kencana.
- Zulkarnain, M. (2015). *Kearifan Lokal Melayu Jambi Dalam Perspektif Sosial Budaya*. *Jurnal Ilmu Sosial dan Humaniora*, 4(2), 101–110.
- Zulqarnain; Siregar, Tessya Yunita; Gunawan, Revan Antonio, M.S. (2001). *Bank Syariah: Dari Teori Ke Praktik*. Gema Insani.