Civilization Research
Journal Of Islamic Studies

OPEN ACCESS
Civilization Research, Vol. 5 No. 2, 2026, Page 489-508
P-ISSN: 3025-8731 E-ISSN: 3025-7648
DOI: https://doi.org/10.61630/crjis.v5i2.178
crjis.com

Negotiated Islamic Moral Economy in a Multicultural Market: Pasar Belauran, Central Kalimantan

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Article Info

Article History
Submitted 22-04-2026
Revised 26-05-2026
Accepted 24-06-2026
Published 31-07-2026

Keywords:
Islamic Moral Economy,
Economic Rationality,
Moral Negotiation,
Multicultural Market Space,
Trade Ethics

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Abstract

This study examines the negotiation of Islamic moral economy within a multicultural market setting through a case study of Pasar Belauran, Central Kalimantan. The research employed a qualitative case study approach. Non-participant observation, in-depth interviews, and documentation were used to collect data, which were analyzed using data reduction, data display, and conclusion drawing. The findings show that the market functions not only as an economic space but also as a socio-religious arena where values are expressed and negotiated. Islamic ethical principles such as *ṣidq* (truthfulness), *aminah* (trustworthiness), and *'ada* (justice), were reflected in many trading practices, although their implementation varied according to social contexts and economic pressures. Multicultural interactions between traders and customers from different ethnic and religious backgrounds were generally perceived as harmonious and cooperative. Trade also served as a form of cultural *da'wah* through the informal transmission of daily Islamic values. Based on these findings, the study proposes the concept of NIME, referring to the dynamic process through which Islamic ethical values are interpreted, adapted, and negotiated within interactions among market rationality, multicultural relations, and local cultural contexts.

Penelitian ini bertujuan menganalisis bagaimana moral ekonomi Islam dinegosiasikan dalam ruang pasar multikultural melalui studi kasus Pasar Belauran, Penelitian menggunakan pendekatan kualitatif dengan desain studi kasus. Data dikumpulkan melalui observasi nonpartisipatif, wawancara mendalam, dan dokumentasi, kemudian dianalisis melalui reduksi data, penyajian data, dan penarikan kesimpulan. Hasil penelitian menunjukkan bahwa pasar tidak hanya berfungsi sebagai ruang ekonomi, tetapi juga sebagai arena sosial-keagamaan tempat nilai-nilai dinegosiasikan. Prinsip etika Islam seperti ṣidq (kejujuran), amānah (amanah), dan 'adl (keadilan) tercermin dalam berbagai praktik perdagangan, meskipun penerapannya bervariasi sesuai konteks sosial dan tekanan ekonomi. Interaksi multikultural antarpedagang dan pembeli dari berbagai latar belakang etnis dan agama berlangsung secara harmonis dan kooperatif. Perdagangan berfungsi sebagai media dakwah kultural melalui transmisi nilai-nilai Islam secara informal dalam interaksi sehari-hari. Berdasarkan temuan tersebut, penelitian ini menawarkan konsep Negotiated Islamic Moral Economy, yaitu proses dinamis ketika nilai-nilai etika Islam ditafsirkan, disesuaikan, dan dinegosiasikan melalui interaksi antara rasionalitas pasar, relasi multikultural, dan budaya local.

A. INTRODUCTION

The arrival of Islam in Indonesia represents a significant historical process in the development of the Indonesian archipelago's Muslim communities. Islam did not spread through military expansion but rather through international trade networks connecting the Middle East, India, and Southeast Asia. This process occurred peacefully, gradually, and through cultural accommodation with local traditions, resulting in a moderate and adaptive form of Islam within the archipelago's socio-cultural context (Reid, 1993; Ricklefs, 2012).

Several theories have been proposed regarding the arrival of Islam in Indonesia. The Gujarat Theory argues that Islam was introduced through Muslim traders from India during the thirteenth century, whereas the Makkah (Arabian) Theory maintains that Islam had already arrived in the seventh century through direct trade routes from the Middle East (Hamka, 1981; Azra, 2004). In addition, the Persian theory highlights the influence of Persian religious culture on the development of Islam in the Indonesian archipelago (Suryanegara, 1995). In contemporary scholarship, researchers have also emphasized trade network theory, which views Islamisation as the result of complex interregional economic interactions rather than originating from a single center (Lapidus, 2002; Hall, 2011).

From the perspective of social history, trade played a strategic role as a primary medium for the dissemination of Islamic values. Muslim merchants functioned not only as economic actors but also as agents of socio-religious transformation, introducing the values of truthfulness (ṣidq), trustworthiness (amānah), and justice ('adl) into economic practice (Azra, 2004; Hefner, 2000). Even in contemporary contexts, studies indicate that trade continues to serve as an important instrument for strengthening the socio-religious life of Muslim communities in transmigration areas, where Islamic values are practiced not only as economic activities but also as foundations for social relations and religious identity formation (Naufal & Janah, 2024).

Furthermore, research demonstrates that trade in Islam is understood not only as an economic activity but also as a moral and social sphere. Studies of market mechanisms in Islam emphasize that markets function as natural systems for the exchange of goods and services that should be grounded in the principles of justice, public welfare (maṣlaḥah), and ethical supervision to prevent economic distortions (Arifudin et al., 2024). From a historical perspective, markets within Islamic civilization also served as spaces for the implementation of ethical values such as honesty, justice and the prohibition of ribā, which contributed to maintaining socio-economic balance (Nisa'Yanayiroh et al., 2025).

In the Indonesian context, traditional markets function not only as economic spaces but also as socio-cultural arenas representing local wisdom and multicultural interaction. Traditional markets provide living spaces for ethnic, social class, and cultural diversity that contribute to the formation of inclusive social structures (Amelia, 2020). From the perspective of urban sociology, markets such as Pasar Gede Surakarta demonstrate that economic spaces can function as arenas of inter-ethnic harmony managed through local norms and collective community practices (Muslimin & Gunawan, 2025).

Nevertheless, markets cannot be separated from the moral and religious dimensions embedded within economic practices. A study of the "berelaan" culture in Central Kalimantan reveals that economic transactions are based not only on formal legal regulations but also on sincerity, social agreement, and harmonious relations among economic actors. The erosion of these values can disrupt social cohesion within local trading practices (Iman, 2025).

Contemporary Islamic economic studies emphasize that markets constitute mechanisms whose equilibrium must be maintained through Sharīʻah principles such as justice, the prohibition of ribā, and moral supervision of economic activities (Edi et al., 2022). Market ethics in Islam also possess strong historical foundations, whereby markets serve not only as transactions spaces but also as arenas for the implementation of Islamic ethical values oriented toward social justice and economic sustainability (Nisa'Yanayiroh et al., 2025).

Despite these contributions, existing studies still have several limitations. First, most studies have focused on the normative, historical, or institutional dimensions of Islamic economics, whereas the micro-sociological dimensions of Islamic practices in everyday market life remain underexplored. Second, studies of markets in multicultural contexts continue to be dominated by urban settings or major commercial centers, whereas scholarly attention has been limited to markets in interior regions such as Kalimantan. Third, the integration of religion sociology, economic anthropology, and Islamic economics within a unified analytical framework remains relatively underdeveloped.

Accordingly, the following research gap may be formulated: First, previous studies have largely emphasized the normative, historical, and institutional dimensions of Islamic economics, whereas micro-level investigations of everyday Islamic ethical practices in market settings remain limited. Second, limited empirical attention has been given to the negotiation of Islamic ethical values within multicultural market interactions. Third, studies integrating the sociology of religion, economic anthropology, and Islamic economics remain scarce (Geertz, 1973; Berger & Luckmann, 1966; Chapra, 2000).

Based on these gaps, this study offers conceptual novelty in three principal respects. First, this study shifts the analytical focus from macro-level and normative discussions of Islamic economics to the everyday negotiation of Islamic ethical values within a local multicultural market setting. Second, this study aims to develop the concept of NIME by examining how Islamic ethical values are negotiated through interactions among economic rationality, multicultural social relations, and local cultural practices. Third, this study integrates perspectives from the sociology of religion, economic anthropology, and Islamic economics to understand markets as spaces for the reproduction and negotiation of Islamic moral economy within multicultural societies.

Unlike Scott's concept of moral economy, which primarily emphasizes subsistence ethics and social obligations, the concept of Negotiated Islamic Moral Economy proposed in this study focuses on the micro-social processes through which Islamic ethical values are continuously interpreted, adapted, and negotiated in everyday market interactions within multicultural settings, unlike Asutay's Islamic Moral Economy, which is largely formulated at the normative and institutional level.

B. RESEARCH METHODOLOGY

This study employed a qualitative approach with a field case study design focusing on the community's socioeconomic dynamics in Pasar Belauran, Central Kalimantan. Pasar Belauran is one of the economic centers of the community, bringing together various ethnic groups, including Banjar, Javanese, Dayak, Madurese, and other communities. This diversity makes the market a multicultural social space in which economic, cultural, and religious interactions occur intensively. This approach enabled an in-depth understanding of complex social phenomena, particularly those related to trading practices and the internalization of Islamic values within a multicultural social context (Creswell & Poth, 2018; Yin, 2018).

Non-participant observation, in-depth interviews, and field documentation were used to collect data (Spradley, 1979; Miles, Huberman, & Saldaña, 2014). These methods enabled the researcher to directly observe social interactions between traders and customers and capture diverse perspectives regarding economic practices and the values embedded within them. The study involved nine informants, including three Muslim traders, three non-Muslim traders, two customers, and one parking attendant. Informants were purposively selected based on their involvement in Pasar Belauran's socio-economic activities.

Data triangulation was employed to ensure the validity and credibility of the findings by comparing observational data, interview results, and documentary evidence (Denzin, 1978; Patton, 2015). The data analysis was conducted interactively through the stages of data reduction, data display, and conclusion drawing, following the framework proposed by Miles, Huberman, and Saldaña (2014). Following the data reduction process, thematic coding was undertaken and analyzed interpretatively by integrating perspectives from the sociology of religion, cultural anthropology, and Islamic economics.

From an epistemological perspective, this study also adopted an interpretative approach aimed at understanding the subjective meanings underlying market participants' social actions. Within this perspective, social reality is understood as something constructed through individuals' interaction and symbolic interpretation (Geertz, 1973; Berger & Luckmann, 1966). Furthermore, the study draws upon the perspective of Islamic economic sociology, which views economic activity as a moral and spiritual practice embedded within Islamic values and principles (Chapra, 2000; Mannan, 1986). Consequently, the analysis not only focuses on economic transactions but also on the ethical dimensions, social trust, and Islamic values manifested in the trading practices of the community.

C. RESULT AND DISCUSSION

Result

1. Trade as a Medium of Da'wah and the Transmission of Islamic Values

From an Islamic perspective, trade is not only an economic activity but also a legitimate medium for conveying ethical and religious values. The Qur’an encourages Muslims to invite others toward goodness through wisdom and exemplary conduct,

اُدْعُ اِلٰى سَبِيْلِ رَبِّكَ بِالْحِكْمَةِ وَالْمَوْعِظَةِ الْحَسَنَةِ وَجَادِلْهُمْ بِالَّتِيْ هِيَ اَحْسَنُ

"Invite to the way of your Lord with wisdom and good instruction, and argue with them in the best manner" (An-Nahl [16]: 125).

Therefore, in commercial contexts, da‘wah is not confined to verbal preaching but may also be expressed through ethical conduct, honesty, trustworthiness, and justice in everyday economic interactions. This understanding is further reinforced by the Qur'anic command to uphold justice and fairness in commercial transactions (An-Nisa' [4]: 58), which also explicitly condemns dishonest commercial practices (Al-Muṭaffifīn [83]: 1–3), as well as the prohibition against unjustly consuming the wealth of others (Al-Baqarah [2]: 188), which establishes the ethical foundation of lawful commercial transactions.. Consequently, ethical trade becomes a practical manifestation of Islamic values capable of fostering trust and facilitating the peaceful transmission of Islamic moral principles within multicultural societies.

Observational findings indicate that trading activities in Pasar Belauran serve not only as economic activities but also as a social space that facilitates the cultural transmission of Islamic values. Muslim traders conduct buying and selling activities through practices reflecting honesty (*ṣidq*), trustworthiness (*amānah*), and social responsibility in their daily interactions.

Field observations revealed that some traders explicitly explained the condition of goods to customers without concealing product deficiencies, which was also confirmed during interviews. Such practices occurred naturally without formal institutional directives, but rather as social habits shaped through the internalization of religious values within economic life.

Moreover, the market functions as a space for intercultural interaction, where Muslim and non-Muslim traders engage without rigid social boundaries. Bargaining activities are conducted using both local languages and Bahasa Indonesia interchangeably, demonstrating communicative flexibility within a multicultural society. These findings suggest that Pasar Belauran functions as an open social space where Islamic values and local cultural realities harmoniously interact.

2. Social Diversity and Multiculturalism in Pasar Belauran

The findings demonstrate that Pasar Belauran is inhabited by individuals from diverse ethnic backgrounds, including Banjar, Javanese, and Madurese. Religious diversity is also evident, with individuals from different faiths coexisting within the same economic space.

Social interactions within the market do not indicate sharp forms of social segregation. Traders and customers from different backgrounds interact intensively in commercial activities. In practice, no conflicts based on religious or ethnic identity were observed within market interactions. Instead, cooperative social relations were evident, including mutual assistance among traders, helping supervise stalls, and sharing trading-related information.

3. Islamic business ethics in economic transactions

Field findings indicate that some Muslim traders apply ethical principles of Islamic business such as *ṣidq* (honesty), *aminah* (trustworthiness), and *'ada* (justice). These principles are reflected in the use of accurate weighing instruments, transparency regarding product quality, and honesty during transactions.

However, instances of practices inconsistent with Islamic business ethics, including misinformation regarding products, price manipulation, and measurement discrepancies, were also identified. These phenomena indicate variations in traders' internalization and implementation of Islamic values. Thus, the market represents a social space in which Islamic values' ideals coexist with the realities of everyday economic practices.

4. Negotiating Islamic Ethics under Economic Pressure

The findings reveal that some traders face dilemmas between Islamic moral values and contemporary economic pressures. On the one hand, they strive to maintain honesty and seek blessed earnings (*barakah*), while on the other hand, they must cope with intense market competition. Some traders prioritize business sustainability while maintaining ethical standards, whereas others place greater emphasis on short-term economic gain.

5. Market as a Cultural and Islamic Acculturation Space

The findings indicate that the market functions not only as an economic space but also as a site of cultural acculturation. Islamic values interact with local traditions, such as regional languages, bargaining customs, and kinship-based social relations. These interactions occur without the dominance of any particular culture, resulting in an inclusive pattern of social relations. Table 1 summarizes the major themes emerging from observations and interviews conducted in Pasar Belauran to facilitate understanding of the empirical findings.

Table 1. Empirical Findings Summary

Focus of the Findings	Field Findings
Trade ethics	Some traders openly explain the goods' condition to customers
Social relations	Interactions between ethnic and religious groups are harmonious
Da'wah practices	Islamic values are demonstrated through trading behaviors
Economic pressures	Traders face competition and the need to sustain their businesses
Local culture	Local languages and kinship-based relationships shape transactions

As shown in Table 1, Pasar Belauran's economic activities are closely intertwined with religious values, multicultural interaction, and local cultural practices. These themes are further interpreted in the Discussion section.

Discussion

1. Trade as a Space for Islamic Values, Economic Ethics, and Social Identity Production

Pasar Belauran functions not only as an economic space but also as an arena for the production of socio-religious values that reflect the integration of Islamic ethics and everyday economic practices (Naqvi, 1981; Asutay, 2013). The trading practices of Muslim merchants demonstrate the internalization of the values of *ṣidq* (honesty), *amānah* (trustworthiness) and *'adl* (justice), although their implementation remains varied and context-dependent (Naqvi, 1994; Vitell, 2009; Fathallah et al., 2020).

These findings are consistent with the study conducted by Naufal and Janah (2024) in the Antang Kalang transmigration area, which revealed that trade within Muslim communities functions not only as an economic activity but also as a means of strengthening religious identity and socio-religious relations, thereby reinforcing social cohesion and Islamic identity within multicultural societies.

The findings of Budiyono and Yusuf (2026) further affirm that Islamic markets operate not only as economic mechanisms but also as spaces of moral-economic equilibrium that integrate economic efficiency with social justice. Moreover, Zuwardi et al. (2025) conducted a bibliometric analysis and demonstrated that the relationship between Islamic ethics and economic practice has become one of the principal themes in contemporary Islamic economics scholarship. Within this context, trade serves as an integrative medium linking religious values with local socioeconomic structures.

Theoretically, this phenomenon may be explained through Scott’s (1976) concept of moral economy, which argues that economic activities are inherently embedded within moral norms and social solidarity. This perspective is consistent with the notion of Islamic Moral Economy, which situates economic activities within a framework of ethics, social justice, and collective welfare (Asutay, 2007, 2012, 2013; Jan & Asutay, 2019).

However, as demonstrated in studies on Islamic market mechanisms (Arifudin et al., 2024; Edi et al., 2022), the Islamic market is not merely a sphere of exchange but an ethical system that requires a balance between market freedom and Sharia-based moral supervision. Therefore, honesty functions not only as a religious doctrine but also as social capital that sustains economic relationships.

Nevertheless, inconsistencies in ethical practices in the field reveal tensions between Islam’s normative ideals and modern economic rationality’s logic (Chapra, 2000; Asutay, 2012; Sencal & Asutay, 2019). The findings suggest that Islamic ethical practices remain largely embedded within interpersonal relations rather than formal institutional arrangements.

2. Market as a Space of Acculturation, Multiculturalism, and Social Cohesion

Pasar Belauran reflects a stable multicultural reality in which interactions among different ethnic and religious groups occur cooperatively without significant conflict (Howell, 2005; Van Buren et al., 2020). These findings reinforce the study of Muslimin and Gunawan (2025) on Pasar Gede Surakarta, which demonstrates that informal norms and social negotiation practices that foster inter-ethnic cohesion govern traditional markets as collective spaces.

These conditions are also consistent with the findings of Amelia (2020), who views traditional markets as cultural encounter spaces that preserve ethnic diversity, local wisdom, and community creativity. Trading practices grounded in values of togetherness and mutual acceptance further strengthen social harmony within a multicultural economic environment (Iman, 2025).

In this context, the market functions as an inclusive social space that enables the emergence of "practical multiculturalism," a form of multiculturalism that is lived through everyday practice rather than merely articulated through normative policies (Howell, 2005; McCleary & Barro, 2006).

Amelia (2020) also supports this observation, emphasizing that traditional markets in Indonesia serve as "arenas of socio-cultural interaction" characterized by local wisdom, ethnic diversity and social creativity, despite facing pressures from modernization and structural marginalization.

From Geertz's (1973) perspective, religion constitutes a system of symbols that continually adapts to local cultural contexts. Consequently, Islam does not function as a dominant system within the market space but rather as a shared ethical framework that facilitates coexistence across different social identities (Guiso et al., 2003; Van Buren et al., 2020).

Furthermore, Hefner (2000) argues that Islam in Indonesia has developed as a form of civil Islam, that is, an Islam that is manifested through social institutions and everyday practices rather than through formal political dominance. Consequently, the market becomes a space for the social reproduction of practice-based multicultural harmony.

3. Trade as Cultural Da'wah: The Transmission of Islamic Values through Daily Commerce

The findings suggest that trade may function as an informal channel for the transmission of Islamic ethical values through everyday interactions between traders and customers. The findings further indicate that Pasar Belauran trading activities serve as a medium of cultural da'wah grounded in performative ethics. Islamic values, such as honesty and openness, are not merely taught through formal religious instruction but are also internalized through everyday economic interactions (Fathallah et al., 2020; Kurpis et al., 2008; Vitell, 2009).

This finding is consistent with those of Naufal and Janah (2024) and Kaisupy et al. (2023), who found that the implementation of Islamic business ethics in traditional markets is often characterized by tensions between profit-oriented motivations and moral responsibility. In contrast, Saputra (2025) demonstrated that traders who internalize the values of *tawḥīd*, responsibility, balance, and *iḥsān* tend to establish more sustainable economic relationships with consumers. Likewise, Irawan (2023) found that most grocery traders who possessed a sound understanding of Islamic business ethics exhibited high levels of honesty in their daily trading practices. Consequently, trading activities in Pasar Belauran may be understood as an arena for the transmission of Islamic values through everyday social and economic practices, while simultaneously serving as a medium for strengthening Islamic identity within a socially heterogeneous environment.

From the perspective of Nisa'Yanayiroh et al. (2025), Islamic markets have historically functioned not only as centers of economic activity but also as centers for the transmission of Islamic ethics, including honesty, justice, and the prohibition of *ribā* as fundamental principles of Islamic commercial ethics. Consequently, the market operates as both a moral and an economic institution (Asutay, 2013; Jan & Asutay, 2019; Kahf & El Amri, 2024).

Social life may be viewed as a stage of symbolic interaction in which everyday actions shape social perceptions of values. Muslim traders become non-formal agents of da'wah through ethical economic practices (Vitell, 2009; Conroy & Emerson, 2004). The effectiveness of this form of cultural da'wah largely depends on individual actors rather than formal institutions, making it fragmented and non-standardized in nature.

4. Negotiating Islamic Ethics under Economic Pressure

Pasar Belauran reflects Scott's (1976) concept of moral economy, in which economic activities are embedded within moral values and social relationships. These findings are consistent with the Islamic Moral Economy, which emphasizes the integration of social welfare, distributive justice, and spiritual values within economic activities (Asutay, 2007, 2013; Jan & Asutay, 2019). Nevertheless, such moral principles have not yet been fully institutionalized within formal economic structures.

Lukman et al. (2026) reinforced this perspective, finding that the implementation of Islamic market ethics is significantly influenced by levels of religiosity, economic pressures, the social environment of the market, and traders' literacy regarding Islamic economics. Furthermore, Budiyono and Yusuf (2026) argued that the sustainability of an Islamic economic system requires a balance between economic efficiency and distributive justice within the framework of *maqāṣid al-sharīʿah*. Accordingly, institutional strengthening is an essential prerequisite for transforming individual morality into a more structured Islamic economic system.

Nisa'Yanayiroh et al. (2025) further demonstrated that Islamic market ethics possess deep historical roots within Islamic civilization, yet their contemporary implementation faces challenges arising from globalization and economic digitalization.

Chapra (2000) and Mannan (1986) support this argument, who maintain that Islamic economics requires institutional structures capable of sustaining ethical values within market systems. A similar view is advanced by Asutay and Yilmaz (2021), who emphasize the importance of an Islamic social welfare function supported by appropriate institutions and governance mechanisms. The findings suggest tensions between community-based moral norms and contemporary market pressures.

5. Toward a Negotiated Islamic Moral Economy

The findings indicate that economic modernity contributes to the fragmentation of religious practices within market activities. Traders negotiate between the ideals of Islamic ethics and the pressures of economic competition (Asutay, 2012; Gümüsay, 2018; Gümüsay et al., 2020).

This phenomenon reflects an encounter between religious and market logic, both of which compete in shaping individual economic behavior. These findings are consistent with those of Asutay et al. (2023), who demonstrated that market factors often exert a stronger influence than religious motivations in shaping behavior within Indonesia's Islamic capital market. In a broader context, Harsono and Nawawi (2026) describe this phenomenon as a transition from the Islamic moral economy to moral capitalism, where religious symbols and values become increasingly negotiated in response to the demands of modern capitalism.

Arifudin et al. (2024) emphasized that market mechanisms in Islam are fundamentally based on a balance between fair supply and demand, but ethical control and moral supervision are required to prevent market distortions. Similarly, Edi et al. (2022) argued that when market mechanisms fail to achieve equitable outcomes, ethical intervention becomes necessary. Individuals continuously negotiate their identities and moral practices within changing social structures. This phenomenon is also consistent with Berger and Luckmann's (1966) argument that modernity does not eliminate religion but rather transforms the forms through which religion is expressed in social life.

The findings indicate that Islamic ethical practices in Pasar Belauran are primarily sustained through interpersonal trust, social expectations, and individual religiosity rather than formal institutional mechanisms. Islam within Pasar Belauran's market space demonstrates a dialectical relationship between normative ideals and socio-economic realities (Al-Faruqi, 1992; Naqvi, 1994; Van Buren et al., 2020). Islamic values, such as honesty, trustworthiness, and justice, remain present, yet their expression is mediated by local social, cultural, and economic structures. Therefore, Islam in Pasar Belauran reflects a continuing dialectic between normative ideals and structural realities.

Based on these empirical findings, this study develops the concept of NIME to explain how Islamic ethical values are continuously interpreted, adapted, and negotiated through interactions among market rationality, multicultural relations, and local cultural contexts. Building upon these empirical findings, the study advances a conceptual interpretation of how the Islamic moral economy operates within a multicultural market setting. The synthesis is presented in Table 2.

Table 2. Negotiating an Islamic Moral Economy in a Multicultural Market

Model Element	**Findings from Pasar Belauran**
Religious ethics	*Ṣidq*, *amānah*, and *'adl* serve as trade moral guidelines
Economic rationality	Traders face profit generation and market competition pressures
Multicultural interaction	Interactions among ethnic and religious groups are generally harmonious
Local culture	Islamic values adapt to local cultural traditions
Negotiation process	Islamic values are not rigidly implemented but are adjusted to socioeconomic contexts
Outcome	A dynamic and lived moral economy emerges within a multicultural market

Table 2 demonstrates that Pasar Belauran's Islamic moral economy cannot be understood as a fixed normative system. Rather, it emerges through continuous negotiation among religious ethics, economic rationality, multicultural interaction, and local cultural adaptation. This synthesis forms the foundation of the proposed concept of NIME in a multicultural market space.

Fazlur Rahman (1982) argues that Islam should be understood within historical and contextual contexts. Consequently, variations in practice should not be viewed as deviations but rather as forms of reinterpretation in response to changing social conditions. Therefore, the market functions not only as an arena of economic exchange but also as a space for the reproduction of identity, morality, and social solidarity. Within this context, the dialectic between Islamic values and market realities demonstrates that dynamic negotiations among religious ethics, local culture, and modern economic rationality lead to the development of contemporary Islamic ethical practices (Asutay et al., 2023; Harsono & Nawawi, 2026).

Accordingly, Pasar Belauran may be understood as a space of lived Islamic ethics, a social arena in which everyday economic practices embodied, negotiate, and reproduce Islamic values. The findings demonstrate that Islamic values are reproduced through social interaction, economic activity, and moral practices that are sustained within everyday life (Al-Faruqi, 1992; Jan & Asutay, 2019).

Based on these findings, this study advances the notion of a Negotiated Islamic Moral Economy, which refers to the dynamic process through which Islamic ethical values are interpreted and practiced through interactions among market rationality, multicultural relations, and local cultural contexts.

D. CONCLUSION

This study suggests that Pasar Belauran's Islamic moral economy operates not as a fixed normative system but as a negotiated ethical framework shaped through interactions among religious values, multicultural relations, local culture, and market rationality. The findings indicate that the market functions as a micro-social arena in which Islamic ethics are continuously interpreted, negotiated, and adapted to local circumstances. Islamic values emerge as lived moral practices embedded within social relationships, economic exchanges, and multicultural encounters rather than operating as a fixed normative system. This demonstrates how Islamic ethical values are sustained and reproduced through everyday social and economic interactions.

Theoretically, this study contributes to the literature on Islamic Moral Economy by proposing the concept of Negotiated Islamic Moral Economy, which highlights how Islamic ethical values are continuously interpreted, adapted, and negotiated within multicultural market interactions rather than being implemented as a fixed normative framework. The findings further indicate that the sustainability of Islamic ethical practices depends not only on individual religiosity but also on the extent to which local institutions and market governance structures support such values. Future research may explore similar dynamics in other multicultural regions and examine how local institutions, religious organizations and market governance mechanisms contribute to the long-term institutionalization of Islamic ethical values within contemporary economic systems.

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