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Islamic Moral Economy and Financial Practices in Indonesian Traditional Markets: A Comparative Case Study of Minangkabau and Banjar Traders

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Abstract. This study examines how Islamic moral values and locally embedded cultural traditions shape the everyday financial practices and growth orientations of traditional market traders in Indonesia. While Islamic economics emphasizes ethical conduct in economic activity, existing scholarship has largely focused on normative principles and formal financial institutions, leaving the financial practices of informal market actors and their cultural underpinnings underexplored. Employing an ethnographically informed qualitative methodology that combines in-depth interviews, participant observation, and reflexive thematic analysis with a cross-case comparative approach, this study investigates Minangkabau and Banjar traders as two distinct Muslim trading communities in Indonesia. Research findings indicate two culturally embedded financial logics. Minangkabau traders employ a more structured financial allocation pattern through a system derived from the *rangkiang* tradition, while Banjar traders emphasize stable business growth based on the values of blessings, communal trust, prudence, and risk mitigation. In both contexts, Islamic moral economy principles operate as informal governance mechanisms that shape financial decision-making and market behavior. These findings contribute to Indonesian economic and Islamic business scholarship by demonstrating how Islamic moral values are enacted in everyday informal market practices, and offer practical insights for the design of culturally grounded financial literacy programs and sharia-compliant microenterprise development initiatives.

Abstrak. *Studi ini mengkaji bagaimana nilai-nilai moral Islam dan budaya lokal yang menjadi salah satu dasar keyakinan dalam berdagang membentuk praktik keuangan sehari-hari serta orientasi pertumbuhan pedagang pasar tradisional di Indonesia. Meskipun ekonomi Islam menekankan perilaku etis dalam aktivitas ekonomi, kajian yang ada sebagian besar masih terfokus pada prinsip-prinsip normatif dan lembaga keuangan formal, sehingga praktik keuangan pelaku pasar informal beserta landasan budayanya belum banyak dieksplorasi. Dengan menggunakan metodologi kualitatif berbasis etnografi yang memadukan wawancara mendalam, observasi partisipan, dan analisis tematik reflektif dengan pendekatan komparatif lintas kasus, studi ini mengkaji pedagang Minangkabau dan Banjar sebagai dua komunitas pedagang Muslim yang berbeda di Indonesia. Temuan penelitian menunjukkan adanya dua logika keuangan yang tertanam secara budaya. Pedagang Minangkabau menerapkan pola alokasi keuangan yang lebih terstruktur melalui sistem yang terbentuk dari tradisi rangkiang, sedangkan pedagang Banjar menekankan pertumbuhan usaha yang stabil dengan berlandaskan nilai barakah, kepercayaan komunal, kehati-hatian, dan mitigasi risiko. Dalam kedua konteks tersebut,*

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prinsip-prinsip ekonomi moral Islam berperan sebagai mekanisme tata kelola informal yang membentuk pengambilan keputusan keuangan dan perilaku pasar. Temuan-temuan ini berkontribusi pada kajian ekonomi Indonesia dan bisnis Islam dengan menunjukkan bagaimana nilai-nilai moral Islam diwujudkan dalam praktik pasar informal sehari-hari, serta menawarkan wawasan praktis bagi perancangan program literasi keuangan yang berakar pada budaya lokal dan inisiatif pengembangan usaha mikro yang sesuai dengan prinsip syariah.

INTRODUCTION

Traditional markets continue to serve a vital role in Indonesia's economy, particularly by supporting micro and small enterprises that generate employment and household income for a significant segment of the population. Despite the expansion of modern retail formats and digital platforms, traditional markets remain resilient economic spaces owing to their flexibility, low entry barriers, and deeply rooted social relationships (Franco et al., 2011). From a commercial perspective, the sustainability and expansion of microenterprises in traditional markets are strongly linked to their daily financial practices: how people budget, save, apportion capital, and manage debt. Studies on microenterprise finance suggest that these practices are more important for survival than formal business planning, especially in informal economic environments with limited access to formal financial institutions (Ikhtiari et al., 2024).

However, traditional models of economic analysis that assume rational profit maximization are often not consistent with the real decision-making processes of small and informal firms. According to economic sociology, the economy is embedded in social relations and from a broader sociological perspective, emerges through the movement of goods across an organized society (Granovetter, 1985). Expanding on this point, cultural economy research reveals that money is not a neutral or homogeneous medium; economic actors differentiate various forms of money by assigning them to particular social purposes and moral categories, morally earmarking them. These socially embedded financial practices have been found to influence saving behavior, risk mitigation, and investment choices at both the household and small-business levels.

Given that Indonesia is home to one of the world's largest Muslim populations, with approximately 251.26 million Muslims, or 87.15 percent of the national population (Mulia, 2026), Islamic moral values constitute an important ethical background for understanding everyday market practices. This demographic context makes Indonesia a relevant setting for examining how Islamic moral economy is enacted not only in formal Islamic financial institutions but also in informal and traditional market environments.

Rooted in this socio-religious landscape, markets are shaped by ethical concepts such as truthfulness (*amanah*), equity, moderation, and the avoidance of usury (*riba*) as fundamental values of economic life (Chapra, 2000). Felt et al. (2012) find in their empirical research that ethical beliefs concerning profit, debt, and risk-taking influence traders' judgments. At the same time, the majority of Islamic economic discourse focuses on formal institutions such as Islamic banking and financial regulations, to the extent that little is known about how specific Islamic values are enacted in everyday informal financial practices at the intersection of ordinary people's experiences and daily market life (As-Salafiyah & Radwan, 2023; Muhajir & Soemitra, 2022). As such, we know little about how Islamic ethical norms filter into the routine financial practices in which informal traders are involved.

In the Indonesian context, research on traditional markets contends that trust, reputation, and social capital play important roles in maintaining exchange relations and reducing transaction costs (Portes, 1998). Kinship and community-based networks that operate as informal governance institutions enabling traders to sustain their businesses and share risks have been recognized as important governing systems

(Woolcock & Narayan, 2000). However, there is little comparative evidence regarding the cross-cultural values of different Muslim communities within Indonesia and how they translate Islamic values into unique financial practices and their effects on growth orientations. More specifically, comparative studies of trade practices among Minangkabau and Banjarese merchants, communities historically characterized by strong Islamic identities and culturally embedded economic institutions in Indonesia, remain rare in Indonesian economic as well as business literature.

Responding to these concerns, this study aims to examine how Islamic moral values and locally embedded cultural traditions shape the everyday financial practices and growth orientations of traditional market traders in Indonesia. More specifically, the study has three interrelated objectives. First, it examines how Islamic moral values shape everyday financial practices among Minangkabau and Banjar traders. Second, it analyzes how locally embedded cultural traditions mediate the translation of Islamic values into financial management practices in the two communities. Third, it compares how these culturally informed financial practices shape the growth orientations of Minangkabau and Banjar traders.

To achieve these objectives, this study addresses the following research questions: (1) How do Islamic moral values shape everyday financial practices among Minangkabau and Banjar traders? (2) How do locally embedded cultural traditions mediate the translation of Islamic values into financial management practices? (3) How do these practices shape the growth orientations of Minangkabau and Banjar traders?

LITERATURE REVIEW

Traditional Markets Concept

Traditional markets occupy a foundational position in the economic landscape of developing countries, particularly in Southeast Asia. Characterized by face-to-face transactions, flexible price negotiation, and the absence of standardized pricing systems, traditional markets differ fundamentally from modern retail formats such as supermarkets and hypermarkets, which operate under formal regulatory frameworks, impersonal exchange mechanisms, and standardized contracts (Reardon & Gulati, 2008; Suryadarma et al., 2010). In Indonesia, traditional markets, function not only as commercial spaces but also as social arenas where cultural values, communal identities, and local economic practices are reproduced and negotiated (Geertz, 1963).

Despite growing competition from modern retail chains, traditional markets in Indonesia remain resilient. Consumers continue to patronize them for the freshness of products, lower prices, the social experience of bargaining, and personal relationships with familiar vendors (Lestari & Jubaedah, 2023). These markets also play an important role in absorbing labor, particularly for low-income groups who rely on market vending as a primary livelihood, and have been recognized as important instruments of inclusive economic development supporting micro and small enterprises operating outside formal financial systems (Franco et al., 2011; Ikhtiari et al., 2024).

The financial management practices of traditional market traders further distinguish them from their modern retail counterparts. Rather than relying on formal banking institutions, vendors typically depend on personal savings, rotating credit associations, or family-based financial networks (Wanzala & Obokoh, 2025). This informality reflects not merely exclusion from formal systems but also culturally embedded preferences for trust-based exchange and communal reciprocity. Understanding the financial logic of traditional market traders therefore requires attention to the moral and cultural frameworks that govern everyday commercial life, which forms the central concern of the first and third research questions guiding this study.

Minangkabau and Banjar Trade Cultures: Similarities and Differences

Among Indonesia's Muslim trading communities, the Minangkabau of West Sumatra and the Banjar of South Kalimantan represent two of the most historically distinctive and well-documented cases. Both communities have developed commercial traditions deeply intertwined with Islamic ethical values, yet the institutional forms through which these values are expressed and their orientations toward business growth differ considerably.

Minangkabau trading culture is shaped by the tradition of *merantau*, a culturally sanctioned outward migration that drives entrepreneurial expansion and establishes trading networks across Indonesian cities and beyond (Kato, 1982; Naim, 1979). Their financial behavior is further institutionalized through the *rangkiang* system, a structured approach to resource allocation covering daily consumption, savings, emergency reserves, and long-term investment (Arianti & Leli, 2023). Banjar trading culture, by contrast, developed along riverine and coastal trade routes in South Kalimantan, where commercial activity has been closely linked to Islamic scholarship since the Banjar Sultanate in the sixteenth century (Adim, 2019). Unlike the expansive Minangkabau model, Banjar traders emphasize stability, local embeddedness, and the cultivation of long-term community trust, interpreting business success through the spiritual concept of *barakah* (Rusyadi & Fitrianatsany, 2024).

Despite these differences, both communities share important commonalities rooted in their Islamic ethical foundations. Both the Minangkabau and Banjar communities uphold honesty (*sidq*), trustworthiness (*amanah*), and fairness (*'adl*) as core principles governing commercial transactions (Beekun & Badawi, 2005). In both cases, Islamic values function not merely as religious obligations but as practical norms that regulate market behavior, sustain social trust, and reduce the need for formal contractual enforcement. Both communities similarly rely on kinship networks and community-based social capital as primary sources of financial support and business cooperation, reflecting a broader pattern of socially embedded economic action characteristic of informal markets (Woolcock & Narayan, 2000).

The key distinction between the two communities lies in how Islamic moral values are institutionally mediated and behaviorally expressed. Among the Minangkabau, Islamic ethics are integrated within the philosophical framework of *Adat Basandi Syarak, Syarak Basandi Kitabullah* (ABS-SBK), channeling moral commitments into structured financial planning and network-based expansion oriented toward collective advancement (Fajria & Fitrisia, 2024; Lisliningsih et al., 2024). Among the Banjar, Islamic values are expressed through a spiritually inflected orientation in which *barakah*, reputation, and relational loyalty take precedence over aggressive market growth (Faisal, 2019; Hidayat, 2017). These contrasting yet complementary expressions of Islamic moral economy directly inform the second research question of this study, which examines how local cultural institutions mediate the translation of shared Islamic values into distinct financial management practices.

Islamic Moral Economy (IME) Concept

Islamic Moral Economy (IME) has attracted considerable scholarly attention as a framework for understanding the ethical foundations of economic activity within Islamic thought. It is contended that IME brings to bear its focus on not simply formal sharia-observance, but substantive ethical consequences focusing on justice, public welfare and human dignity as end purposes of economic practice (Murtiyani & Nurlaela, 2025). In such a context, economic conduct is assessed, not just for compliance with the law, but also the way in which it enhances equitable distribution and social sustainability, rendering morality an operational rather than merely symbolic dimension of economic practice (Aviva et al., 2023).

The IME framework seeks to restore this ethical orientation by emphasizing that economic activity should not only comply with legal rules but also promote justice, social welfare, and human dignity. In this

perspective, morality is not merely a symbolic element but becomes an operational component that shapes economic institutions and financial practices (Ahmadi et al., 2024). For IME principles to produce tangible outcomes in economic life, ethical values must be translated into institutional arrangements that structure financial interactions and resource allocation. Research on Islamic finance governance demonstrates that ethical principles are increasingly incorporated into regulatory frameworks and institutional mechanisms within the halal economy (Akbar et al., 2024).

Empirical studies also highlight the developmental implications of Islamic moral economy. Avdukic and Asutay (2025) show that the developmental contribution of Islamic finance depends largely on how deeply ethical values are embedded in economic institutions rather than simply reflected in financial instruments. Similarly, recent studies emphasize that Islamic economic systems guided by *maqasid al-shariah* aim to promote socio-economic justice, equitable growth, and real-sector development through value-based financial intermediation (Rokhlinasari et al., 2025). These perspectives establish the normative foundation of the conceptual framework proposed in this study, in which IME principles serve as the ethical basis from which culturally embedded financial practices and growth orientations are derived.

Informal Economy Concept

The informal economy constitutes a substantial part of economic activity in many developing countries, including Indonesia. Informal sectors generally consist of microenterprises, small traders, and self-employed individuals who operate outside formal regulatory systems but still contribute significantly to employment and local economic resilience (Xheneti & Madden, 2024).

Traditional markets remain one of the most important arenas where informal economic activities take place. These markets support micro and small enterprises that generate employment and household income for a large segment of society while maintaining flexible market structures and strong social ties among participants (Franco et al., 2011). The sustainability of microenterprises operating in informal markets is closely connected to everyday financial practices such as budgeting, saving, allocating capital, and managing debt. In many developing economies, micro-entrepreneurs rely heavily on such informal financial management strategies because access to formal financial services remains limited (Ikhtiari et al., 2024).

However, classical economic models that assume rational profit maximization often fail to capture the complexity of decision-making in informal economic environments. Economic sociology provides an alternative explanation by emphasizing that economic behavior is embedded within social relationships and institutional contexts rather than driven solely by market incentives (Granovetter, 1985). Research in cultural economy further demonstrates that financial practices are shaped by social meanings and moral classifications, where individuals frequently assign different purposes to various forms of money for consumption, business capital, savings, or emergency needs (Wanzala & Obokoh, 2025). This socially embedded character of financial behavior in informal markets directly informs the first and third research questions of this study, which examine how Islamic moral values shape everyday financial practices and how those practices in turn shape traders' growth orientations.

Islamic Moral Economy on Informal Economy

In many Muslim societies, informal economic activities are shaped not only by market incentives but also by ethical values derived from Islamic teachings. Islamic business ethics emphasize principles such as honesty (*sidq*), trustworthiness (*amanah*), and fairness (*'adl*), which function as moral guidelines in economic interactions and help sustain trust among market participants (Beekun & Badawi, 2005). These ethical principles often operate as informal governance mechanisms in market environments where formal regulation is limited. Moral commitments influence financial decision-making and help reduce transaction

costs by strengthening social trust and cooperation among traders (Avdukic & Asutay, 2025). At the same time, the practical expression of Islamic moral values is frequently shaped by local cultural institutions. In Indonesia, the interaction between Islamic teachings and indigenous cultural traditions has produced distinctive economic practices among different Muslim communities.

For example, studies on Minangkabau society emphasize the integration between local customs and Islamic teachings through the philosophical principle *adat basandi syarak, syarak basandi Kitabullah*. Within this cultural framework, economic activities are considered part of communal moral responsibility, encouraging disciplined financial management and network-based economic cooperation rooted in kinship structures (Fajria & Fitrisia, 2024). Similarly, research on Banjar trading communities shows that Islamic values are often interpreted through spiritual and cultural traditions. Banjar traders frequently view economic activity through the lens of *barakah*, where business success is associated not only with profit but also with ethical conduct, community trust, and long-term stability (Adim, 2019).

Despite the importance of these culturally embedded practices, empirical studies examining how Islamic moral economy operates within informal market environments remain limited. Much of the existing literature on Islamic economics focuses primarily on formal financial institutions such as Islamic banking and regulatory systems rather than everyday financial behavior among small traders and micro-entrepreneurs (As-Salafiyah & Radwan, 2023). This gap directly motivates the present study and its three research questions, which collectively seek to understand how Islamic moral values and local cultural institutions interact to shape financial practices and growth orientations in the context of Indonesian traditional markets.

Based on the reviewed literature, this study develops a conceptual framework that links Islamic moral economy principles, locally embedded cultural traditions, everyday financial practices, and traders' growth orientations. The framework positions Islamic moral values as ethical foundations that are culturally mediated through Minangkabau and Banjar trading traditions, producing distinct financial logics in informal market settings. Based on the reviewed literature, this study develops a conceptual framework that links Islamic moral economy principles, locally embedded cultural traditions, everyday financial practices, and traders' growth orientations. The framework positions Islamic moral values as ethical foundations that are culturally mediated through Minangkabau and Banjar trading traditions, producing distinct financial logics in informal market settings.

METHOD

This study employs a qualitative research design to examine how Islamic moral values and local cultural institutions shape the financial management practices of traditional market traders in Indonesia. A qualitative approach is appropriate because the research focuses on meanings, ethical reasoning, social norms, and culturally embedded economic practices that cannot be adequately captured through statistical measurement (Cresswell, 2014). Financial decision-making in traditional markets is not purely technical or profit-oriented; rather, it is embedded in moral commitments, religious interpretations, kinship structures, and locally constructed notions of trust and responsibility. The study adopts an ethnographically informed methodology combining in-depth interviews, participant observation, and documentary collection, which enables researchers to understand how economic actors construct meaning through everyday interactions and how financial practices are enacted within lived social contexts rather than abstract economic models (Hammersley & Atkinson, 2019).

Fieldwork was conducted across two regional settings selected to represent the two trading communities under investigation. For the Minangkabau community, research was carried out in Bukittinggi, Tanah

Datar, and Agam in West Sumatra Province, which constitutes the cultural and historical heartland of Minangkabau trade. For the Banjar community, fieldwork was conducted in Banjarmasin and Hulu Sungai Selatan in South Kalimantan Province, a region historically associated with riverine trade networks and the Banjar Sultanate. These sites were selected because they represent primary centers of traditional market activity for each community and provide access to a diverse range of traders, cultural authorities, and institutional actors relevant to the research questions. Data collection was carried out over a period of approximately two months from June until July 2024, following ethical clearance and the issuance of formal research permits from the relevant institutions and local government bodies.

Informants were selected through purposive sampling, a strategy in which participants are chosen based on their specific knowledge, experience, or social position relevant to the research problem (Cresswell, 2014). The criteria applied in selecting informants were as follows: traders must have been actively engaged in traditional market trading for a sufficient period to reflect established financial practices; cultural authorities must hold recognized social positions within the Minangkabau or Banjar community; academics must specialize in fields related to Islamic economics, cultural studies, or regional economic history; and government actors must hold positions in agencies directly responsible for trade, culture, or market governance at the provincial level.

Interviews were conducted face-to-face using a structured format in which the researcher prepared a set of predetermined questions while remaining open to follow-up probes based on informant responses. Sessions were held at locations familiar and convenient to the informants, including market premises, community offices, and academic institutions. Interviews were recorded with informants' consent and subsequently transcribed for analysis. Participant observation followed a non-participatory approach, documenting financial routines, price negotiations, and informal economic arrangements as they naturally unfolded in the marketplace (Emerson et al., 2011). Documentary evidence, including activity reports, photographs of market activities, and relevant archival materials, was also collected to supplement and contextualise the data.

To ensure analytical depth and triangulation across different perspectives, the study involved informants drawn from several social positions within the trading ecosystem, including traders, cultural authorities, academics, and government actors. The overall composition of informants across both communities was designed to capture both everyday trading practices and the broader cultural and institutional context surrounding financial behavior in traditional markets. Traders provide firsthand accounts of everyday financial management and business strategies, while cultural authorities and academics help interpret the moral and cultural values underlying those practices. Government actors contribute additional insights regarding the institutional and regulatory context surrounding traditional market activities. The total distribution of informants by category and community is summarized in Table 1.

Table 1. Composition of informants and analytical objectives

Informant Category	Minangkabau	Banjar	Total	Analytical Objectives
Migrant traders	2	2	4	Capturing mobile trading strategies, capital management, and business growth orientation.
Local traders	3	3	6	Capturing financial practices embedded in local markets and everyday economic routines.

Table 1. Composition of informants and analytical objectives (continued)

Informant Category	Minangkabau	Banjar	Total	Analytical Objectives
Cultural authority	2	1	3	Explaining the normative basis of local customs, moral legitimacy, and the relationship between Islamic values and Minangkabau or Banjar economic practices.
Academics	1	1	2	Providing reflective readings of economic culture and the meaning of evolving financial practices.
Government actors	2	2	4	Describes the institutional context, local governance, and policy environment surrounding trade activities.
Total	10	9	19	Enabling triangulation across traders, cultural authorities, academic interpreters, and institutional actors.

Source: Authors (2025)

In total, this study involved 19 informants, consisting of 10 Minangkabau informants and 9 Banjar informants, including migrant traders, local traders, cultural authorities, academics, and government actors. This composition was designed to support source triangulation across everyday market actors, cultural interpreters, and institutional stakeholders.

The collected data were analyzed using reflexive thematic analysis (Braun & Clarke, 2008), following four stages: Data collection and organization, data reduction to retain only information relevant to the research questions, data presentation in the form of structured descriptions and comparisons, and conclusion drawing by connecting findings to the theoretical framework and relevant literature (Miles et al., 2014). To further clarify how each participant contributes to the analytical process, informants are also categorized based on their specific roles and analytical contributions, as detailed in Table 2.

Table 2. Informant profiles and analytical contribution

Code	Community	Category	Status	Main Analytical Contribution
MPP	Minangkabau	Trader	Migrant Trader	Explains financial earmarking, capital circulation, business savings, and expansion orientation.
MPL	Minangkabau	Trader	Local Trader	Explains financial adaptations to local markets and daily economic routines.
MTL	Minangkabau	Cultural Authority	Local Trader	Explain the legitimacy of local customs and moral values in merchant financial practices.
MTAL	Minangkabau	Cultural Authority / Academic	Local Trader	Bridging insider explanations of local customs with academic interpretations.
MAPP	Minangkabau	Government Actor	Provincial Government	Explains the policy context, local arrangements, and state relations with trade activities.
BPP	Banjar	Trader	Migrant Trader	Explains business stability, trade mobility strategies, and risk mitigation.

Table 2. Informant profiles and analytical contribution (continued)

Code	Community	Category	Status	Main Analytical Contribution
BPL	Banjar	Trader	Local Trader	Explains the practices of trust, trade relations, and day-to-day financial management.
BTL	Banjar	Cultural Authority	Local Custom Leader	Explaining market reputation, informal leadership, and social authority in trading networks.
BTAL	Banjar	Academic	Local Scholar	Provides a scientific reading of Banjar economic culture and its moral-economic logic.
BAPP	Banjar	Government Actor	Provincial Government	Explains the policy context, local arrangements, and state relations with trade activities.
Total	2	4	4	Enables triangulation across actors from diverse backgrounds.

Source: Author (2025)

Source triangulation was applied by systematically comparing insights obtained from all informant categories across both communities, while a cross-case comparative approach was employed to examine similarities and differences in financial management practices between the Minangkabau and Banjar communities (Moleong, 2014). This methodological orientation is grounded in the understanding that economic behavior in informal markets is embedded in social relations and cultural frameworks rather than driven by formal regulation alone (Block, 2003; Granovetter, 1985).

RESULTS AND DISCUSSION

Profile of Minang and Banjar Traders in Traditional Markets

The Minangkabau and Banjar communities represent two of the most historically prominent and culturally distinctive Muslim trading communities in Indonesia. Before examining their financial practices in detail, it is important to establish the cultural and historical contexts that have shaped their respective commercial identities, as these contexts are inseparable from the financial logics documented in this study. A central finding of this research is that Minangkabau traders tend to practice structured financial allocation through the *rangkiang* system, while Banjar traders tend to prioritize stability, *barakah*, honesty, and long-term trust as the governing orientation of their financial conduct. These contrasting yet complementary financial logics, both rooted in Islamic moral economy, form the analytical core of the present study and structure the discussion that follows.

The Minangkabau are an ethnic group originating from West Sumatra who are widely recognized as one of Indonesia's most commercially active communities. Their social life is organized around a matrilineal kinship system in which property and heritage pass through the mother's line, creating strong family networks that support economic cooperation and communal risk management. Minangkabau society is further defined by the tradition of *merantau*, a culturally sanctioned practice of outward migration in which predominantly young men leave their home regions to seek economic opportunities, acquire knowledge, and build reputations before returning or establishing themselves elsewhere (Naim, 1979).

The philosophical principle that governs the integration of Islamic teachings and customary norms in Minangkabau society is *Adat Basandi Syarak, Syarak Basandi Kitabullah* (ABS-SBK), which literally means "custom is grounded in Islamic law, and Islamic law is grounded in the Quran." This principle establishes

Islam not merely as a religious identity but as the normative foundation of social and economic conduct, encouraging financial discipline, collective responsibility, and forward-looking resource management. The ABS-SBK framework has historically produced a culture of structured financial planning, careful capital allocation, and network-based business expansion that distinguishes Minangkabau traders from many other communities operating in Indonesian traditional markets.

Minangkabau traders are found throughout Indonesia's urban centers and traditional markets, with particularly strong presences in cities such as Jakarta, Medan, Bandung, Surabaya, and Pekanbaru. They are especially well-known for their dominance in the food service sector, particularly through the institution of *Rumah Makan Padang*, which has become a nationally recognized symbol of Minangkabau commercial enterprise. The success of these restaurants reflects the community's characteristic combination of standardized quality, family-based management, and networked expansion strategies. In traditional markets, Minangkabau traders are similarly known for their disciplined financial management, commercial reliability, and willingness to invest in the development of kinship-based trade networks. Their commercial identity is closely tied to the cultural expectation that success achieved through *merantau* should benefit not only the individual but also the extended family and home community, reinforcing a collective orientation in financial behavior.

The Banjar are the predominant ethnic group of South Kalimantan, a community whose commercial traditions developed along the riverine and coastal trade routes that historically connected the interior of Borneo with maritime trading networks across Southeast Asia. The Banjar Sultanate, established in the sixteenth century, played a pivotal role in the Islamization of the region and cemented the relationship between Islamic scholarship, moral authority, and commercial practice that continues to characterize Banjar economic culture today (Adim, 2019). Unlike the Minangkabau model of mobile entrepreneurship and network expansion, Banjar trading culture has historically emphasized stability, local embeddedness, and the deepening of long-term relationships within specific market communities. Banjar traders are well represented in the markets of South Kalimantan and are known for their dominance in sectors such as textiles, spices, traditional crafts, and local agricultural products.

Socially, Banjar society is characterized by strong communal solidarity, a deep attachment to the values of honesty and fairness in commercial transactions, and a spiritual orientation toward economic activity that understands business success as inseparable from ethical conduct and divine blessing. The concept of *barakah*, or spiritual blessing, is central to Banjar commercial culture and shapes how traders evaluate their own success, make decisions about expansion, and manage relationships with customers and suppliers. The preference for maintaining a single well-managed business outlet rather than opening multiple branches reflects this orientation, as Banjar traders tend to prioritize depth of relationship and quality of service over breadth of market coverage. This cultural framework, shaped by centuries of Islamic scholarship and riverine trade, produces a financial logic that is oriented toward sustainability, communal trust, and moral accountability rather than aggressive accumulation or rapid expansion.

Financial Management Practices by Minang and Banjar Traders

The most distinctive finding among Minangkabau traders is the practice of structured financial earmarking through the *rangkiang* system, which represents a culturally institutionalized approach to capital allocation that has shaped Minangkabau financial behavior for centuries. The Minangkabau are widely recognized as a trading community with their own distinctive trading methods and business strategies, including the use of the term "*Darek*" to describe markets. Known for their high mobility, the Minangkabau rely on a long-standing migration tradition as an important social capital that enables them to seek business opportunities in different regions (Hastuti et al., 2015). In managing their finances, they apply the *rangkiang* system as a traditional financial framework (Arianti & Leli, 2023). Through this system, funds are allocated for several

purposes, including daily consumption, business capital, emergency reserves, and future investment, allowing businesses to remain sustainable under different economic conditions. These financial practices are further reinforced by the application of Islamic economic principles, particularly the avoidance of usury and the preference for financing through family networks or sharia-based cooperatives.

In addition, building customer trust is considered a primary priority, which is reflected in the consistent quality of products and services provided by traders. For example, Padang rice stalls across Indonesia maintain strong consistency in both taste and service standards, contributing to their long-term reputation. Business expansion among Minangkabau traders is also frequently supported through family-based systems in which successful traders encourage relatives to establish new branches in other locations. Over time, this practice strengthens trading networks and preserves business values that have proven successful across generations.

In the contemporary economic environment, Minang traders have also demonstrated adaptability to technological developments by utilizing digital platforms to expand their market reach. Through disciplined financial management, strong social networks, and the integration of Islamic values in business transactions, the Minangkabau community has developed a competitive and resilient business ecosystem capable of withstanding economic disruptions. Empirical evidence of Minangkabau financial management practices is presented in Table 3, which summarizes the financial management patterns among Minang traders.

Table 3. The financial management practices of the Minang people

Informant	Statement	Interpretation
MPL-1	"I believe managing money wisely is very important in business. I always set aside part of my income as savings for both personal needs and business purposes. Saving helps us stay prepared for unexpected situations and keeps the business stable."	Wise financial management
MPL-2	"A strong network is very important in business. We continue building relationships with other traders and customers, because trust is what keeps the business growing. Providing good service is also essential to maintain customer loyalty."	Building networks and trust
MPP-1	"The business world keeps changing, so we must keep learning. I try to improve my business by learning new methods and experiences. Persistence is very important because success in business takes time and effort."	Learning and perseverance
MTL-1	"In our culture, we are taught to manage money carefully and prepare for the future through saving. Maintaining good relationships with others is also important, because business grows from trust and cooperation. We also remind the younger generation to provide good service and keep learning while working hard."	Saving, building trust and good service
MTAL-1	"In Minang culture, trust is the foundation of social and economic relationships. When trust is maintained, cooperation becomes easier and business relationships can grow stronger. That is why the younger generation is always taught to preserve trust in their interactions."	The importance of maintaining trust in trading
MAPP-1	"Many Minangkabau traders rely on their own capital or family networks when managing their businesses, which reflects a strong culture of independence in trade. At the same time, the government continues to encourage better financial management practices through market development programs, training, and support for small traders so that they can adapt to changing economic conditions."	Government support for traditional markets and trader financial management capacity

Table 3. The financial management practices of the Minang people (continued)

Informant	Statement	Interpretation
Documentation	Historical and cultural records indicate that financial management among Minangkabau traders is closely connected with long-standing cultural values and traditions. Traders are generally known for careful financial planning and saving practices aimed at maintaining household and business stability. Minang traders also build strong business networks based on trust and cooperation. Maintaining good service and social relationships supports business continuity, while openness to learning and perseverance help traders adapt to changing economic conditions.	The financial management of Minang traders prioritizes wise management, strong networks, trust, service, and perseverance

Source: Authors (2025)

Historically, these practices have been shaped by principles that have been applied for centuries. One important aspect is spending control. Historical records from the *Pagaruyung* Kingdom suggest that the Minangkabau community had a structured system regulating how resources should be allocated and who was entitled to request them. Within this framework, households maintained four types of financial reserves to manage daily needs, savings, and investments. Each household traditionally managed its resources through four forms of *rangkiang* storage: *Rangkiang Si Tinjau Lauik*, used for food supplies obtained from outside the household; *Rangkiang Si Bayau-Bayau*, used for everyday household consumption; *Rangkiang Si Tangguang Lapa*, used as an emergency reserve; and *Rangkiang Si Kaciak*, which functioned as a form of investment or long-term resource allocation.

Saving and preparation for emergencies also play an important role in Minangkabau financial practices. Traders typically maintain savings for unexpected situations and draw on these reserves only when necessary. When income exceeds immediate needs, the remaining funds may be allocated for family needs or long-term plans (Bayuaji, 2025). Financial discipline is another important feature of Minangkabau economic behavior. Traders are known for carefully monitoring their financial resources and managing expenditures with considerable precision. Funds are generally reserved for emergencies or unforeseen circumstances (Masindo, 2023). In addition, strong social networks contribute to the sustainability of their businesses. Relationships with family members, friends, and the broader community provide opportunities for cooperation that extend beyond individual enterprises. Maintaining product quality and service standards also helps create a positive reputation among customers (Lestari & Jubaedah, 2023).

Trust is regarded as a fundamental element in Minangkabau trading practices. Successful traders are particularly known for their ability to maintain the trust of their customers, recognizing that public trust is a valuable asset in commerce. Openness to learning and self-development is also encouraged within the community. While traders maintain traditional business practices, they remain open to learning from the experiences of other entrepreneurs. Persistence and resilience are equally important characteristics. Minangkabau traders are known for their determination and ability to adapt to changing economic conditions, technological developments, and shifts in market structures. In addition, prudent financial management remains a central principle. Traders are generally frugal and careful in managing their financial resources, ensuring that funds are preserved and utilized efficiently over extended periods. Further triangulation of Minangkabau financial practices is presented in Table 4.

Table 4. Triangulation source of the financial management practices of the Minang people

Traders	Cultural Authorities	Documentation
Minang traders tend to view trading not only as an economic activity but also as part of religious responsibility. In managing their income, traders generally allocate funds for daily needs, savings, and religious obligations such as zakat. Financial discipline and honesty in transactions are considered essential values to maintain business sustainability.	Cultural authorities emphasize that Minangkabau trading practices are guided by the philosophical principle *Adat Basandi Syarak, Syarak Basandi Kitabullah*. Within this framework, financial management is expected to follow the *rangkiang* system, where resources are allocated for daily consumption, reserves, and investment. These principles reinforce responsibility, moderation in spending, and the importance of planning for future needs.	Historical and culture record that the Minangkabau people have long used local customs and religion as guidelines in trading and managing finances. Local archives mention how the ABS-SBK principle is applied, for example in the distribution of harvests for zakat, infaq, and future savings. This is also reflected in the tradition of highly structured family economic planning.
Conclusion		
The *Adat Basandi Syarak* and *Syarak Basandi Kitabullah* principle is a strong foundation in the trading activities and financial management of the Minang community. This reflects their obedience to religion while ensuring the economic stability of families and indigenous communities.		

Source: Authors (2025)

These practices reflect the broader cultural philosophy known as ABS-SBK, an abbreviation for *Adat Basandi Syarak, Syarak Basandi Kitabullah*. This philosophy emphasizes that Minangkabau local customs are rooted in Islamic teachings, with the Qur'an serving as the fundamental source of moral guidance. In Minangkabau society, the ABS-SBK principle functions as a living philosophy that shapes social behavior and economic practices (Lisliningsih et al., 2024). As expressed in local wisdom, local customs and religion are considered inseparable elements of Minangkabau life. The two function in a mutually reinforcing relationship that guides social and economic activities (Fajria & Fitrisia, 2024). Consequently, economic activities in Minangkabau society are closely associated with the application of both Islamic principles and customary traditions (Bahardur, 2018).

Financial management practices among Banjar traders also reflect the integration of Islamic teachings and local cultural values. Among the Banjar community, financial behavior is guided by principles such as honesty (Hidayat, 2017), the example of the Prophet Muhammad as a model for ethical trading (Faisal, 2019), and prudence in managing business capital. The Banjar people traditionally view economic activity as part of religious devotion, encouraging mutual support and cooperation within the community regardless of ethnic background (Rusyadi & Fitrianatsany, 2024).

The strongest finding among Banjar traders, by contrast, is a stability-oriented financial logic grounded in the pursuit of *barakah*, honesty, and the cultivation of long-term community trust. Unlike the Minangkabau model of structured allocation and network-based expansion, Banjar traders prioritize sustainable, ethically grounded business conduct over rapid growth or aggressive market expansion. Financial management practices among Banjar traders reflect the integration of Islamic teachings and local cultural values, guided by principles such as honesty (Hidayat, 2017), the example of the Prophet Muhammad as a model for ethical trading (Faisal, 2019), and prudence in managing business capital. The Banjar people traditionally view economic activity as part of religious devotion, encouraging mutual support and cooperation within the community regardless of ethnic background (Rusyadi & Fitrianatsany, 2024).

As a trading society historically connected with riverine environments and traditional markets, Banjar traders often rely on personal savings or financial support from family members rather than borrowing funds through interest-based mechanisms. This approach allows their businesses to avoid practices considered incompatible with Islamic teachings, including the burden of high-interest debt. Observations among approximately 200 Banjar traders indicate that they generally adopt moderate profit margins to remain competitive while maintaining customer trust. Unlike some Minangkabau traders who expand through family-based branch networks, Banjar traders tend to prioritize stability over rapid expansion. Their business structures are typically simple, with most employees recruited from among relatives and neighbors in order to maintain trust and operational efficiency. This strategy reflects the Banjar preference for stable and sustainable business operations rather than aggressive market expansion.

Although some Banjar traders have gradually adopted digital technologies for marketing and sales transactions, they remain cautious in managing financial resources. Their financial behavior reflects adherence to religious norms emphasizing honesty and ethical conduct in trade. These principles have enabled Banjar traders to maintain their presence in both local and regional markets despite the challenges of modern economic competition. Empirical evidence of Banjar financial management practices is summarized in Table 5.

Table 5. The financial management practices of the Banjar people

Informant	Statement	Interpretation
BPL-1	"For us, financial management is more than just seeking profit. We always prioritize honesty in setting prices and avoid interest-bearing debt. We prefer to use our own capital or get support from family and community. We believe that by maintaining good relationships and supporting each other, our business can grow steadily. We don't need to open many branches, because we focus more on being well-known by the surrounding community. Honesty and mutual cooperation are the keys."	The main principles in financial management are honesty, avoiding interest-bearing debt, and focusing on long-term relationships.
BPL-2	"We prefer to work together in families and communities, because it makes it easier for us to manage the business. We avoid interest-bearing debt and rely more on our own savings. Honesty in transactions is very important here, because reputation is what keeps customers coming back. We are not only focused on profit, but also on the common welfare."	Avoid interest-bearing debt, and maintain integrity in transactions
BPP-1	"The Banjar community has long upheld the value of honesty in trading. In our culture, trading is not only an economic activity, but also a way to maintain social relationships and blessings. Banjar people often use the term '*barakat* buying and selling,' meaning transactions that are not only materially profitable but also approved by Allah. This principle has been passed down from generation to generation, and we continue to remind the younger generation to maintain this value. We also prioritize relationships of trust, so Banjar people usually prefer to work with family or people they already know."	Prioritize honesty, blessings, and trust
BTL-1	“People are taught that trading must be done honestly. From the beginning, traders are reminded that business is not only about making money, but also about maintaining good relations with others. When someone is known as an honest trader, people will trust them and continue to come back. That is why reputation and trust are very important in our markets.”	Maintaining honesty, reputation, and social trust in trading

Table 5. The financial management practices of the Banjar people (continued)

Informant	Statement	Interpretation
BTAL-1	"If we observe the trading practices of the Banjar community, we can see that economic behavior is closely connected with moral values. Many traders still consider honesty, trust, and responsibility when managing their businesses. Profit is certainly important, but maintaining good relationships and stability in the long term is often seen as equally important."	Ethical trade practices and long-term business stability
BAPP-1	"In many traditional markets in South Kalimantan, traders still rely heavily on personal savings or financial support from family members when running their businesses. This kind of practice has been part of the trading culture for a long time. From the government perspective, traditional markets remain important because they support small businesses and provide economic opportunities for local communities."	Community-based financing and the economic role of traditional markets
Observation	Through field research observations, it is shown that many traditional markets in South Kalimantan, such as the Lok Baintan Floating Market, are known as transparent transaction places. Traders and buyers often negotiate with full awareness of the principle of justice.	Negotiate fairly

Source: Authors (2025)

Historically, the Banjar community has maintained a long tradition of trade that has been passed down through generations. Although Banjar traders pursue economic profit, they continue to uphold cultural values and Islamic teachings that guide their commercial activities. In financial management, spiritual values such as honesty, loyalty, and solidarity function as important principles governing social relationships within the community. These values are reflected in the way Banjar traders conduct business, where financial decisions involve not only capital and profit considerations but also trust and shared prosperity.

Banjar traders generally avoid financial capital derived from interest-based sources, which are considered inconsistent with religious teachings. Instead, they rely on personal savings or financial assistance from family and community members. This practice reduces the risk of high-interest debt while strengthening family and community bonds. Honesty in trade is regarded as a core value among Banjar traders. Profit margins are typically maintained at moderate levels so that customers do not feel exploited. This approach helps generate customer goodwill and promotes long-term economic relationships.

In conducting business, Banjar traders often prefer maintaining a single outlet rather than expanding through franchise or multi-branch systems. Their primary objective is to build strong relationships with local customers and maintain long-term trust within the community. Family participation in business operations further enhances stability and reliability, as traders frequently employ relatives or neighbors. This approach helps maintain operational security and reinforces trust within the business environment.

Banjar traders also emphasize practical action rather than elaborate planning. They believe that consistent effort and practical implementation contribute to long-term business success. This pragmatic philosophy supports economic activities grounded in independence, ethical profit, and loyalty to the community. Through these principles, Banjar traders are able to sustain their businesses while maintaining social harmony. Their economic practices demonstrate how traditional values and ethical norms continue to guide business activities while adapting to the dynamics of the modern economy.

To strengthen the validity of the findings, this study also applies source triangulation in examining the financial management practices of Banjar traders. In addition to insights obtained directly from traders, perspectives from cultural authorities and documentary observations are also considered in order to provide a more comprehensive understanding of the values and practices that shape financial behavior in Banjar trading communities. The triangulated perspectives are summarized in Table 6.

Table 6. Triangulation source of the financial management practices of the Banjar people

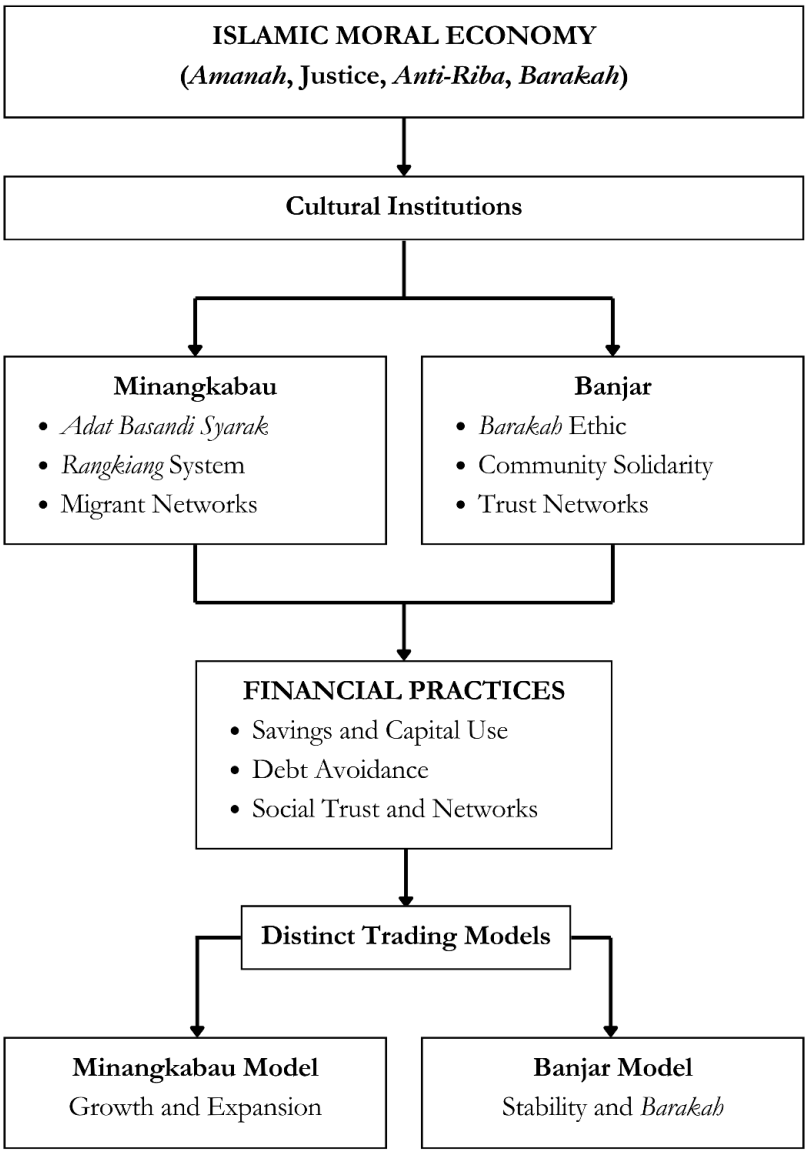
Traders	Cultural Authorities	Documentation
Banjar traders generally emphasize honesty and fairness in their financial practices. Business activities are often supported by personal savings or financial assistance from family members rather than interest-based loans. Traders tend to prioritize stable business growth, maintain customer trust, and build long-term relationships within the community.	Cultural authorities explain that trading practices in Banjar society are closely connected with moral values and social reputation. Honesty, mutual cooperation, and maintaining harmonious relationships are considered important principles in commercial activities. A trader who maintains trust and integrity is more likely to gain long-term support from the surrounding community.	Observations and secondary sources indicate that Banjar trading culture is historically shaped by Islamic ethical values and strong community ties. Financial practices often rely on informal networks, family support, and social trust rather than formal financial institutions. These practices encourage business stability and reinforce ethical conduct in traditional market transactions.
Conclusion		
The financial practices of Banjar traders demonstrate the integration of Islamic ethical principles with local cultural traditions. Honesty, trust, and community cooperation function as important foundations that guide financial decision-making and business relationships. These values support stable trading practices and reinforce long-term economic sustainability within traditional market environments.		

Source: Authors (2025)

The triangulation results indicate that financial practices among Banjar traders are closely linked with ethical values and social relationships embedded in the community. Across the three sources of information, honesty, trust, and community cooperation consistently emerge as central elements in shaping financial behavior. These values encourage traders to prioritize stable business development, maintain long-term relationships with customers, and rely on social networks as an important source of economic support.

Comparison of Financial Between the Minang and the Banjar Communities

The contrast between Minangkabau structured financial earmarking through the *rangkiang* system and Banjar stability-oriented financial logic grounded in *barakah*, honesty, and long-term trust represents the most analytically significant finding of this study. Although both communities share an Islamic moral economy framework, they translate its principles into distinct financial logics through different cultural institutions. To better illustrate how Islamic moral values interact with cultural institutions and shape the financial practices of traders, this study proposes a conceptual framework that explains the relationship between Islamic moral economy, cultural mediation, and the resulting trading models among the Minangkabau and Banjar communities. The conceptual framework presented in Figure 1 highlights how Islamic moral principles influence financial behavior through locally embedded cultural systems.



Source: Author (2025)

Figure 1. Conceptual framework of Islamic moral economy in Minangkabau and Banjar trading practices

As illustrated in Figure 1, Islamic moral economy serves as the normative ethical foundation that guides economic behavior. This framework encompasses key moral values such as trust (*amanah*), justice (*'adl*), the avoidance of *riba*, and the pursuit of *barakah*. These ethical principles do not operate in isolation but are mediated through local cultural institutions that shape how such values are interpreted and practiced in everyday economic life. In the Minangkabau context, these values are embedded within the philosophical principle of *Adat Basandi Syarak, Syarak Basandi Kitabullah*, which integrates customary norms with Islamic teachings. In the Banjar context, moral guidance is reflected in an ethical orientation that emphasizes *barakah*, honesty, and communal solidarity.

Through these culturally embedded mechanisms, Islamic moral values are translated into concrete financial practices among traders. These practices include saving behavior, capital allocation and management, trust-based transactions, and the reliance on social networks as sources of financial and social support. Over time, these practices shape distinct trading orientations within each community. The Minangkabau model is characterized by network-based expansion and structured financial allocation,

while the Banjar model reflects a stability-oriented trading approach that prioritizes reputational trust, ethical conduct, and the pursuit of *barakah* in economic activities.

Building upon the conceptual framework described above, it becomes possible to examine more concretely how Islamic moral values, mediated through local cultural institutions, shape the financial management practices of traders within each community. Although both the Minangkabau and Banjar communities share similar ethical foundations derived from Islamic moral economy, the ways in which these principles are translated into everyday financial behavior reveal both convergences and distinctive patterns. To illustrate these similarities and differences more clearly, the following section presents a comparative overview of financial management practices between the two communities, as summarized in Table 7.

Table 7. Comparison of Minang and Banjar communities

Aspect	Minangkabau Traders	Banjar Traders	Key Similarities
Expenditure System	Has a structured expenditure system with various business units.	Using a traditional, more informal approach.	Discipline in managing expenditure, although with a different approach.
Saving and Preparing	Prioritize saving for emergencies.	Set aside some of your income for a reserve fund.	Both prioritize saving for the future.
Financial Management	Calculate expenses carefully to avoid waste.	Be careful in using money and planning.	Focus on wise and efficient financial management.
Social Networks	Rely on family and community ties to expand businesses.	Prioritize mutual cooperation in capital and resource assistance.	The strength of social networks supports financial stability.
Openness to Learning	Open to learning and new experiences.	Willingness to learn from other people's business experiences.	Adaptive to developments in the world of trade.
Resilience and Tenacity	Perseverance in the face of market and technological changes	Having resilience in the face of challenges.	Resilience that drives innovation and adaptation.
Maintaining Trust and Integrity	Upholding honesty in transactions.	Maintaining customer integrity and trust	Honesty as the main capital for business continuity

Source: Authors (2025)

The financial management practices of the Minang and Banjar communities demonstrate several notable similarities despite differences in their institutional and cultural contexts. In terms of expenditure management, the Minang community generally adopts a more structured financial system. Financial resources are distributed across different allocations, including daily consumption, savings, and investment. This structured allocation enables Minang traders to manage expenses more precisely and maintain clearer financial control over their business operations. In comparison, Banjar traders do not usually rely on such a formalized system. Instead, they manage their financial activities through simpler and more practical methods. Their financial practices emphasize prudence in spending and maintaining balance in daily financial decisions without relying on rigid accounting structures.

Another important similarity between the two communities lies in their strong emphasis on thrift and preparation for future needs. The Minangkabau are widely known for maintaining savings as a precaution against unexpected situations. This cautious attitude toward financial planning reflects a cultural norm that prioritizes preparedness and long-term stability. Similarly, the Banjar community also maintains a culture of saving, where a portion of income is regularly set aside for emergency situations. This practice reflects a

shared ethical understanding of prudent financial planning and the importance of maintaining financial security in uncertain circumstances.

Careful financial management also characterizes the economic behavior of both communities. Minang and Banjar traders demonstrate prudence in managing financial resources, ensuring that funds are used efficiently and responsibly. Their cautious financial approach allows them to respond effectively to emergencies or critical financial needs while minimizing unnecessary expenditures. Through disciplined financial management, both groups are able to accumulate capital and operate their businesses in a sustainable and efficient manner.

Strong social networks play an equally important role in supporting financial management within both communities. The Minangkabau community often relies on extended family networks and broader community relationships to support business expansion and economic cooperation. These networks provide access to capital, labor, and information that can strengthen business performance. Within the Banjar community, social relations are similarly structured around cooperation and mutual support among family members and local communities. Financial assistance and business resources are often obtained through these social networks, creating strong foundations for economic stability.

Openness to learning and self-development also appears as a shared characteristic among Minang and Banjar traders. Both groups remain receptive to new knowledge and business experiences. While traditional trading practices remain important, traders are willing to learn from the experiences of others and adapt to changing economic environments. This openness enables them to respond effectively to developments in market conditions while improving their entrepreneurial capabilities.

Resilience and persistence further characterize the business practices of both communities. Minang and Banjar traders demonstrate strong endurance in facing market challenges and technological changes. Their ability to adapt to shifting economic conditions helps them maintain competitiveness within the trading sector. This resilience encourages continuous innovation and adjustment at both local and broader economic levels.

Finally, maintaining trust and integrity in financial transactions represents a fundamental principle shared by both communities. Honesty in trade is highly valued among Minang and Banjar traders, ensuring that customers feel safe and confident when conducting transactions. Trust therefore functions as an important economic asset that supports long-term business sustainability and strengthens relationships between traders and customers. Through the preservation of trust and ethical conduct in commerce, both communities are able to maintain the continuity of their trading activities across generations.

Minang and Banjar Traders Across Borders: Reflections from Saudi Arabia and Malaysia

While the central analysis of this study focuses on financial practices within Indonesian traditional markets, this section serves as a supplementary discussion that further reinforces the trading characteristics of Minangkabau and Banjar communities documented in the preceding sections. The transnational trajectories of both communities are presented as additional evidence that the culturally embedded financial logics and Islamic ethical values identified in domestic market contexts are durable, portable, and consistently expressed across different geographic settings. The experiences of Minangkabau and Banjar traders in Saudi Arabia and Malaysia demonstrate that the *rangkiang*-based financial discipline and network orientation of the Minangkabau, as well as the *barakah*-grounded stability orientation and communal trust of the Banjar, are not merely context-specific adaptations but reflect deep-seated cultural and religious commitments that persist beyond national borders.

The mobility of Minangkabau and Banjar communities beyond Indonesia forms part of a broader Southeast Asian historical dynamic shaped by Islamic trade networks, kinship structures, and religious circulation. From the eighteenth to the nineteenth centuries, the movement of these communities followed maritime and overland routes linking Sumatra, Kalimantan, the Malay Peninsula, and the Hijaz. Within Minangkabau society, outward migration was embedded in a normative system that connected economic activity with moral accountability and communal obligation. Within the philosophical framework of *adat basandi syarak, syarak basandi Kitabullah*, both economic activity and geographic mobility were consistently guided by Islamic principles (Kato, 1982).

Among the Banjar of South Kalimantan, riverine and coastal trade historically fostered sustained interaction with regional markets, particularly in Borneo and the Malay Peninsula. Since the period of the Banjar Sultanate, commercial life has been closely associated with Islamic scholarship and networks of religious teachers. Trading culture developed within a moral environment that emphasized honesty, trustworthiness, moderation, and the pursuit of divine blessing in economic transactions (Sather, 1997). Movement across territories contributed to the preservation of Islamic norms and communal solidarity across generations. In both communities, cross-regional mobility reinforced religious identity and cultural continuity alongside economic expansion.

Malaysia represents one of the principal external settings in which Minangkabau and Banjar communities established long-standing diasporic settlements. Aggregated data from 2024 indicates that more than 2.54 million Indonesian citizens reside in Malaysia, making it the largest destination for the Indonesian diaspora (Fadilah, 2025). The total foreign migrant population in Malaysia is projected to reach 3.38 million in 2025, with Indonesians constituting one of the largest migrant groups (Jingga, 2025). Historically, Minangkabau migration to Negeri Sembilan since the eighteenth century contributed to the institutionalization of *adat perpatih*, a matrilineal system rooted in Minangkabau genealogy (Andaya & Andaya, 2001). This institutional framework continues to shape traditional leadership, inheritance structures, and communal governance, all operating within an Islamic moral orientation.

In Malaysia's economic sphere, Minangkabau descendants are actively engaged in retail trade, Padang culinary enterprises, food distribution networks, and family-based small and medium enterprises. Their business orientation reflects strong communal discipline, reputational awareness, and religious accountability in commercial dealings (Naim, 1979). Mosques, community associations, and informal kinship networks function as stabilizing institutions that sustain ethical norms and mutual support. Banjar communities in Malaysia, particularly in Sabah and Sarawak, developed through nineteenth-century agrarian and trading settlements. Their participation spans agriculture, traditional markets, and family-operated enterprises integrated into the broader Malay society of Sabah (Sather, 1997). Strong communal cohesion and adherence to Islamic ethical values continue to shape social relations and economic continuity within these settlements.

The presence of Minangkabau and Banjar communities in Saudi Arabia developed through religious networks and modern labor migration. Since the nineteenth century, pilgrims and students from the Indonesian archipelago have formed the "Jawi" community in Mecca and Medina, which includes individuals from West Sumatra and Kalimantan (Laffan, 2003). In contemporary records, Saudi Arabia hosted approximately 857,613 Indonesian citizens in 2024, placing it among the countries with the largest Indonesian diaspora populations (Fadilah, 2025). The demographic composition of Saudi Arabia also indicates that approximately 44.4 percent of its population consists of expatriates, highlighting the significant role of migrant communities in the national socio-economic structure (Malik, 2025)

Within Saudi Arabia, Minangkabau migrants are involved in Hajj and Umrah services, small-scale trading activities, and Indonesian culinary enterprises that serve Southeast Asian pilgrims. Business operations

frequently rely on trust-based networks grounded in shared regional identity and religious commitment. Banjar migrants are predominantly present in service and labor sectors, although some have established small community-based enterprises. Ethical reputation, communal solidarity, and religious observance function as important forms of social capital within these communities. Regional data also shows that approximately 946,000 Indonesian migrant workers were present in the Middle East in 2024, with Saudi Arabia serving as one of the principal destinations (Rayda, 2024).

Across both Malaysia and Saudi Arabia, Minangkabau and Banjar communities demonstrate strong religious adherence and cultural continuity within distinct institutional environments. In Malaysia, their presence is historically embedded within local customs structures and long-standing communal institutions. In Saudi Arabia, their participation is shaped by pilgrimage networks and contractual labor systems. In both contexts, Islamic identity, kinship solidarity, and family-based economic organization remain central foundations sustaining economic participation and cultural continuity across national boundaries.

CONCLUSION

This study demonstrates that the Islamic moral economy functions as a lived and culturally embedded system shaping the financial practices of Minangkabau and Banjar traders in Indonesian traditional markets. Both communities uphold core Islamic values, namely honesty, trust, disciplined saving, and the avoidance of *riba*, as ethical foundations of economic decision-making, yet translate these principles into distinct financial logics through different cultural institutions. Minangkabau traders institutionalize them through structured capital allocation within the *rangkiang* system, while Banjar traders prioritize stability-oriented growth grounded in *barakah*, reputational integrity, and communal trust. These patterns remain operative beyond Indonesia, as evidenced in Malaysia and Saudi Arabia, where kinship networks and Islamic ethical commitments continue to structure economic participation across transnational contexts.

In doing so, this study makes three interrelated contributions. First, it advances Islamic economics scholarship by showing that moral economy principles operate as everyday informal governance mechanisms beyond formal institutions. Second, it enriches informal economy studies by demonstrating that micro-entrepreneurs operate within sophisticated moral and institutional orders rather than regulatory vacuums. Third, it informs the design of culturally grounded financial literacy programs by identifying the specific cultural institutions, namely the *rangkiang* system and *barakah*-oriented trust networks, through which Islamic values are concretely expressed and practically actionable.

While this study is limited by its qualitative design and the specificity of its two-community scope, these limitations point toward productive directions for future research. Longitudinal studies are needed to examine how the *rangkiang* system and *barakah*-oriented financial logic evolve under pressures of digital transformation, economic formalization, and generational change. Comparative studies extending to other Muslim trading communities in Indonesia, such as the Bugis, Javanese, or Acehnese, would test whether the cultural mediation model proposed here holds across different Islamic and local customs. Mixed-method designs incorporating quantitative measures of financial behavior alongside ethnographic data would further strengthen generalizability. Finally, research on how sharia-compliant microfinance and cooperative institutions can be designed to reinforce rather than replace existing community-based financial logics would carry significant policy relevance for inclusive economic development in Muslim-majority societies.

Author Contributions

Wahyu Akbar	:	Conseptualization, Writing, Methodology, Data Collection, Language
Ibnu Elmi A.S. Pelu	:	Research Design, Supervision, Analysis, Interpretation
Halimi Husayn	:	Data Collection, Data Curator, Analysis
Ma Tin Cho Mar	:	Data Collection, Data Curator, Analysis
Muhammad Rani	:	Review & Editing

Conflict of Interest

The authors affirm that there are no conflicts of interest regarding the publication of this article.

Generative AI Writing Statement

During the preparation of this work, the authors used Grammarly (Grammarly Inc.) and ChatGPT Plus (GPT-4o) (OpenAI) to assist in the writing process. Specifically, Grammarly was used for continuous spelling and basic grammar checking, while ChatGPT Plus was employed to enhance structural clarity, improve text readability, and refine the overall academic tone of the manuscript. Following the use of these tools, the authors critically reviewed, verified, and edited the generated suggestions. The authors assume full responsibility for the accuracy, originality, and integrity of the final content.

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