

MSME Business Practices in Islamic Economic Perspective: Jenniper's Case Study in Ciawigebang, Kuningan Regency

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Abstract

Micro, Small and Medium Enterprises (MSMEs) have a strategic role in the Indonesian economy, but their management is not fully aligned with Islamic economic principles. This study aims to analyze the business practices of Jenniper MSMEs in Ciawigebang, Kuningan, West Java, from the perspective of Islamic economics, which includes aspects of production, distribution, financing, and marketing. The research uses a descriptive qualitative approach with data collection techniques in the form of in-depth interviews, participant observations, and documentation. The results of the study show that Jenniper MSMEs have implicitly applied most of the principles of Islamic economics, including honesty in transactions, the prohibition of usury through the avoidance of interest-bearing loans, and the orientation of *maslahah* in determining affordable prices for local communities. However, there are gaps in financial management aspects that have not used formal sharia bookkeeping, the absence of formal halal certification, and a lack of access to sharia financial institutions. These findings have implications for the need for assistance in Islamic financial literacy, formalization of bookkeeping and halal certification, and the integration of the Sharia Microfinance Institution (LKMS) program for MSME actors in the region.

Keywords: MSMEs; islamic economics; sharia principles; microfinance; *maslahah*.

INTRODUCTION

Globally, small and medium enterprises represent around 90 percent of all businesses and account for more than half of global employment (World Bank, n.d.), yet they continue to face persistent constraints in access to finance, managerial capacity, and compliance with formal standards (OECD, 2019). In Muslim-majority societies, these constraints carry an additional normative dimension, because entrepreneurial activity is expected to be consistent with Islamic ethical and legal principles rather than being judged solely by profit (Gümüşay, 2015). Cross-national evidence further indicates that religion shapes entrepreneurship partly through the values people prioritize, as both religious adherents and entrepreneurs tend to place self-transcendent values oriented towards the welfare of others above self-enhancement (Rietveld & Hoogendoorn, 2022). International evidence also shows that sharia compliance at the product level does not automatically extend to the financial level; halal food operators, for example, do not necessarily adopt Islamic financing (Antara et al., 2016). These global conditions frame the situation of MSMEs in Indonesia, the country with the largest Muslim population in the world.

Micro, Small and Medium Enterprises (MSMEs) are the backbone of Indonesia's national economy (Surya et al., 2021). In West Java, the contribution of MSMEs to the regional economy is also significant, with more than 4.2 million business units operating in various sectors, including in economically developing districts such as Kuningan. Under Law of the Republic of Indonesia Number 20 of 2008 concerning Micro, Small, and Medium Enterprises

(2008), MSMEs are classified by net assets and annual sales, with micro enterprises constituting the smallest category.

In the perspective of Islamic economics, economic activity is not simply oriented towards material gain, but includes the dimensions of values, ethics, and collective welfare (Mergaliyev et al., 2021). Principles such as the prohibition of usury, distribution justice, transaction transparency (*amanah*), and *maslahah* orientation must be the foundation of Muslim business practices (Chapra, 1992; Haneef, 1995). However, in reality, many Muslim MSME actors actually run their businesses without adequate internalization of these values, both due to limited knowledge, and lack of access to the Islamic financial ecosystem (Utomo et al., 2021).

Kuningan Regency is one of the regions in West Java with characteristics of a small-scale agriculture-based economy and agroindustry. In Ciawigebang sub-district, various MSMEs are developing organically, including local product production and distribution businesses such as Jenniper's Business which is engaged in processed food and beverages. Although this business has been running for several years and has a socio-economic role for the surrounding environment, scientific studies on the suitability of its business practices with Islamic economic values have, to the best of the authors' knowledge, not yet been carried out systematically.

The empirical problem addressed in this study is evident at Jenniper in three respects. First, although the owner consistently avoids interest-bearing loans and dubious ingredients, these practices rest on personal conviction rather than on documented procedures. Second, business and household finances are recorded together in a simple notebook, which prevents the enterprise from producing financial statements that could support access to formal, including sharia, financing. Third, the products have not obtained halal certification from BPJPH. The central empirical question is therefore the extent to which Jenniper's everyday practices conform to Islamic economic principles, and where the gaps between implicit conformity and formal compliance lie.

Islamic economics is an economic system based on the teachings of the Quran and Sunnah, with the main aim of realizing the essential welfare (*falah*) for all mankind. According to Chapra, (1992), Islamic economics integrates moral and spiritual values into economic activities, so that it goes beyond just the efficiency of resource allocation. The four main pillars of Islamic economics include: monotheism as a theological foundation, 'adl (justice) as a principle of distribution, *maslahah* as a policy orientation, and caliph as the responsibility for managing trust (Haneef, 1995).

In a practical context, these principles are derived into the prohibition of usury, *gharar* (ambiguity), and *maisir* (speculation), as well as active encouragement of zakat, infaq, alms, and waqf as a mechanism for wealth redistribution (Iqbal & Mirakhor, 2011). Siddiqui (2022) added that businesses in Islam must meet halal standards for inputs, processes, and outputs, as well as uphold morals in every transaction.

The study of MSMEs and Islamic economics in Indonesia has undergone significant development in the past decade. Meanwhile, Survey-based studies have shown that Islamic financial literacy is associated with Islamic financial inclusion and MSME performance (Masrizal et al., 2025; Mujiatun et al., 2023); however, such designs treat literacy as a measured variable and cannot reveal how Islamic values are enacted in production, pricing, and financing decisions. Studies on halal standards, in turn, have focused on the drivers of certification and

its effects on performance in food SMEs Giyanti et al., (2021) without simultaneously assessing financing, transaction ethics, and *maslahah*. The present study differs by combining these dimensions in a qualitative, single-case evaluation of an informal micro enterprise.

The research gap identified in this study covers two dimensions. First, previous studies on MSMEs and Islamic economics in Indonesia tend to focus on access to sharia financing Hassan et al., (2021); Purwanto et al., (2022) or in the larger industrial sector, while in-depth studies on informal micro MSMEs at the sub-district level are still very limited. Second, a literature search in Google Scholar and GARUDA (Garba Rujukan Digital) using combinations of the keywords “MSMEs”, “Islamic economics”, “sharia”, “Kuningan”, and “Ciawigebang” did not identify research that specifically examines MSMEs in Kuningan Regency through the lens of Islamic economics comprehensively, covering aspects of production, distribution, financing, as well as business ethics. This emptiness is the academic urgency that underlies this research.

This gap is urgent because food and beverage products are subject to mandatory halal certification (Law of the Republic of Indonesia Number 33 of 2014 concerning Halal Product Assurance, 2014), a requirement that micro and small enterprises often find difficult to meet because of financial constraints, regulatory complexity, and limited awareness (Anwar, et al., 2025), while SAK EMKM provides the reference accounting standard for micro entities (Indonesia, 2026), and the financial literacy of owner-managers is increasingly recognized as relevant to SME performance (Graña-Alvarez et al., 2024); understanding where informal practices diverge from these formal requirements is therefore a precondition for designing targeted assistance. Accordingly, the novelty of this study is deliberately delimited: it provides a contextual mapping of the conformity and gaps between the business practices of one informal micro enterprise and Islamic economic principles, using an evaluative framework that combines transactional sharia criteria with the dimensions of *maslahah*. The study does not test causal relationships, and its findings are intended for analytical rather than statistical generalization.

This study aims to: describe the profile and operational practices of Jenniper MSMEs in Ciawigebang, Kuningan; analyze the suitability of the business practices with Islamic economic principles; identify gaps that still exist and formulate recommendations for sharia-based improvements. Thus, this research is expected to make a theoretical and practical contribution to the development of MSMEs based on Islamic values at the local level. The benefits of this study are both theoretical and practical. Theoretically, it contributes context-rich empirical evidence on the phenomenon of implicit compliance in informal micro enterprises, which can inform the refinement of *maslahah*-based evaluation frameworks and generate propositions for subsequent multi-case or quantitative studies.

Practically, the findings provide a diagnostic basis for business owners, local government, Islamic microfinance institutions, and halal assurance bodies in Kuningan to design assistance that targets the specific gaps identified. The main implication is that strengthening Islamic MSMEs requires not only normative awareness but also the formalization of existing practices through bookkeeping, certification, and institutional linkage.

METHOD

This study used a descriptive qualitative approach that aims to understand the phenomenon in depth through the perspective of the research subject (Creswell & Poth, 2016). This approach was chosen because the complexity of applying Islamic economic values in MSME practice is contextual and cannot be fully captured through quantitative methods. The type of research is a single case study with the Jenniper MSME analysis unit as a representation of informal micro MSMEs in the Ciawigebang area. These two methodological choices are complementary: the descriptive qualitative approach determines the nature of the data and analysis (in-depth, non-numerical descriptions of practices and their meanings), whereas the single case study determines the research design, in which one bounded case is examined intensively in its real-life context using multiple sources of evidence (RK Yin, 2017). Jenniper was selected as a typical case of an owner-managed informal micro enterprise; accordingly, the findings are intended for analytical rather than statistical generalization.

The research was carried out at Jenniper MSMEs located in Ciawigebang Village, Ciawigebang District, Kuningan Regency, West Java. Data collection was carried out during the period March–May 2025, including three cycles of field visits to ensure the depth and validity of the data. The selection of informants used a purposive sampling technique with the following criteria: (1) directly involved in the management of Jenniper MSMEs, (2) having at least two years of experience in the business, and (3) willing to participate voluntarily. The main informants consist of business owners and two permanent employees. Supporting informants include two regular customers and one local religious figure who has an understanding of *muamalah*.

In total, six informants were involved (three main and three supporting informants). The adequacy of this number was assessed using the principles of data saturation and information power: the study aim was narrow, the case was bounded to a single enterprise, the main informants possessed highly specific knowledge of its operations, and repeated visits allowed in-depth dialogue (Malterud et al., 2016). This is consistent with evidence that core themes in relatively homogeneous groups tend to emerge within a small number of interviews (Guest et al., 2006). Saturation was judged to have been reached when the third field-visit cycle yielded no new codes relevant to the four evaluative dimensions. Data was collected through three techniques: (1) in-depth interview using semi-structured interview guidelines that cover aspects of production, marketing, financing, and values held in running a business; (2) participants' observations of the production process, transactions with customers, and social interaction in the business; and (3) documentation in the form of informal financial records, transaction memorandums, and photos of business activities.

The semi-structured interview guideline was developed deductively from the four evaluative dimensions. Each dimension was operationalized into observable indicators: (1) halalness of products and processes (sources and status of raw materials, additives, hygiene or *thaharah*, and certification); (2) fairness in transactions and distribution (price setting, measurement accuracy, product information, and consignment arrangements); (3) avoidance of prohibited practices (sources of capital, use of interest-bearing credit, clarity of contracts, and misleading promotion); and (4) *maslahah* orientation (employment, community contribution, alms, and consumer welfare, mapped onto *hifzh al-din*, *al-nafs*, *al-'aql*, *al-nasl*, and *al-mal*). Open-ended questions and probes were formulated for each indicator. The draft

guideline was reviewed for content relevance by a lecturer in Islamic economics before fieldwork.

The interview and observation procedures were as follows. Interviews were conducted face-to-face in Indonesian and Sundanese at the business premises, each lasting approximately 45–60 minutes. With the informants' permission, interviews were audio-recorded and transcribed verbatim; quotations presented in this article were translated into English by the authors. Participant observation was carried out during the three field-visit cycles and focused on the production process (ingredients, hygiene, and packaging), transactions with customers and consignment partners (pricing, measurement, and product information), and social interactions related to employment and community involvement; observations were documented in field notes and photographs.

The ethical safeguards applied throughout the study were as follows. Before data collection, all informants received an explanation of the study's purpose and procedures and gave verbal informed consent, including consent for audio recording; they were informed that participation was voluntary and that they could withdraw at any time. To protect confidentiality, the informants' identities are withheld, and the financial information disclosed is reported only in aggregated form and used solely for research purposes. Data analysis using the Miles, M. B., Huberman, A. M., & Saldaña, (2019) model consists of three stages: (1) data condensation, reduction and focusing of relevant information; (2) presentation of data in the form of a matrix, tables, and thematic narrative; and (3) conclusion and verification. The validity of the data is guaranteed through triangulation of sources (different informants), triangulation of techniques (interviews, observations, and documentation), and member checking of key informants. In the condensation stage, transcripts, field notes, and documents were coded using an initial coding scheme derived from the indicators of the four dimensions, while allowing new codes (such as implicit compliance) to emerge inductively.

The analysis of the suitability of business practices with Islamic economics was carried out using a framework, which includes four dimensions of evaluation: (1) halalness of products and processes, (2) fairness in transactions and distribution, (3) avoidance of prohibited practices (*riba*, *gharar*, *tadlis*), and (4) orientation of *maslahah* in the social impact of business. The adaptation of this framework involved three steps: (1) aligning Thahir's *maslahah* indicators and the transactional sharia criteria into the four dimensions listed above; (2) formulating field indicators for each dimension, as described in the interview guideline; and (3) assigning a conformity status to each indicator (conform, partially compliant, or not compliant; Table 2) and a fulfillment rate to each *maslahah* dimension (high, medium, or low; Table 4).

A status of conform or high was assigned when a practice was consistently confirmed by at least two data sources; partially compliant or medium when it was present but inconsistent or informal; and not compliant or low when it was absent. To distinguish empirical findings from interpretation, each part of the Results section first reports what was observed or stated by the informants and then interprets these findings in light of Islamic economic theory. The conformity ratings in Tables 2 and 4 therefore represent the researchers' analytical judgment rather than a formal sharia audit.

RESULT AND DISCUSSION

Jenniper MSME Profile

Jenniper MSMEs are a processed beverage production business made from ginger, lemon, and local spices that was established in 2019. This business was founded by Mrs. Hj. Neni (name withheld), a 52-year-old resident of Ciawigebang who initially only produced drinks for family needs and local events. As demand increased, the business expanded into a micro-scale production unit with an average production capacity of 200–350 bottles per week (an average of approximately 260 bottles per week, or about 1,040 bottles per four-week month, as reported by the owner).

The name 'Jenniper' is an acronym for 'Ginger, Lemon, and Spices', reflecting the main raw materials of the product. This business employs 3 permanent workers (all local residents) and 2 freelancers when the order season increases. Product distribution includes Ciawigebang traditional markets, village stalls, and direct orders through social media (WhatsApp and Instagram).

Table 1. General Profile of Jenniper MSMEs

Aspects	Remarks
Business Name	Jenniper MSMEs
Main Products	Ginger, lemon, spice drinks (red ginger, sour turmeric, turmeric)
Year of Establishment	2019
Location	Ciawigebang Village, Ciawigebang District, Kuningan Regency, West Java
Production Capacity	200–350 bottles/week (average 260 bottles)
Total Workforce	3 permanent + 2 part-time (seasonal)
Turnover Average	IDR 6,500,000 – IDR 9,000,000/month (owner-reported estimate: sales volume × market price; not audited)
Initial Capital	IDR 2,000,000 (personal capital, without loan)
Distribution Channels	Traditional markets, local stalls, social media (WhatsApp, Instagram)

Source: Primary data from interviews and observations

Because Jenniper does not maintain formal financial statements, all financial figures reported in this article (Tables 1 and 3) are estimates rather than audited actual data. They were derived from owner-reported sales volumes and the prevailing unit selling price (IDR 7,500 per bottle) and triangulated with the informal notebook records collected as documentation. The monthly volume in Table 3 (1,040 bottles) corresponds to the average weekly volume of 260 bottles multiplied by four weeks, whereas the weekly range of 200–350 bottles reflects fluctuations between regular periods and peak order seasons; the production and sales figures therefore describe the same operating conditions expressed over different periods. The

resulting estimate of IDR 7,800,000 per month lies within the owner-reported range of IDR 6,500,000–9,000,000.

Aspects of Production in the Perspective of Islamic Economics

Jenniper's MSME production process relies on local raw materials, all of which have halal status: red ginger, local lemon, cinnamon, cloves, and palm sugar. No use of synthetic chemical preservatives, artificial dyes, or other illegal substances was found. This is in line with the principle of *halalan Thayyiban* which requires that products are not only halal according to sharia law, but also good (*Thayyib*) in terms of quality and benefits (Q.S. Al-Baqarah: 168).

The business owner stated explicitly that he would not use dubious ingredients despite the potential to reduce production costs: 'I don't want to use artificial sweeteners, the price is a little more expensive but the customer is safe and my goods are honest.' This statement reflects the internalization of the principles of trust and *shidq* (honesty) which are one of the foundations of Islamic business ethics (Siddiqui, 2022).

The production process is also carried out by paying attention to cleanliness (*thaharah*), even though it does not have official halal certification from BPJPH. This is one of the gaps identified: In terms of business practices, it is in line with sharia principles, but it has not been formally and legally documented. A similar pattern has been reported among food micro and small enterprises in West Java, where halal awareness was generally good but misconceptions about certification procedures kept many producers from registering (Oemar et al., 2023). In Bandung, the possession of halal certification among food operators was associated with the number of business branches and with knowledge of the market segment, but not with the age of the business (Katuk et al., 2021), which may help explain why a single-outlet enterprise such as Jenniper remains uncertified despite several years of operation. A comparison between actual and ideal standard conditions is presented in Table 2.

Table 2. Conformity of Production Aspects with Islamic Economic Principles		
Sharia Indicators	The Condition of Jenniper MSMEs	Status
Halal of raw materials	All natural ingredients, without haram	Conform
<i>Thayyib</i> (good/nutritious)	Natural spices traditionally perceived as beneficial (not laboratory-tested)	Conform
The Honesty of Product Information	Manual labeling, without excessive clamping	Partially Compliant
Formal halal certification	Do not have a BPJPH certificate	Not Compliant
Production hygiene (<i>thaharah</i>)	Practically awake	Conform

Source: Researcher analysis based on primary data

Distribution and Marketing Aspects

The distribution of Jenniper MSME products includes three main channels: (1) direct sales at the Ciawigebang traditional market (55% of total sales), (2) consignment to surrounding stalls (30%), and (3) orders via social media (15%). Pricing is done transparently with consideration of production costs plus margins that are considered 'feasible' and 'not excessive' by the owner reflecting the principle of *qimah al-mithl* (equitable/reasonable prices) in *fiqh muamalah*.

Interestingly, business owners implicitly apply *ta'awun* (help) in their business practices. He provides special prices to underprivileged residents, entrusts products to neighboring stalls without strictly cutting profit sharing at the beginning, and prioritizes the purchase of raw materials from local farmers. 'If I buy ginger from a neighboring farmer, both of them get sustenance, I'm happy that he is happy too' said the owner during an interview. Such practices are consistent with qualitative evidence that entrepreneurs' religious beliefs pervasively shape the humane orientation of their ventures (Khurana et al., 2021).

No *tadlis* (fraud) practices were found in transactions, such as counterfeiting of measurements, counterfeiting of materials, or misleading promotions. This is different from several other research findings in similar MSMEs that use hidden preservatives or increase the volume of products with excess water. Within the transactions observed in this case, Jenniper did not exhibit such practices; however, because this study examines a single enterprise and does not include a systematic comparative dataset, no claim can be made that its transaction ethics are superior to those of informal MSMEs in general.

Table 3. Jenniper MSME Sales Data per Distribution Channel (Estimate, 2025)

Distribution Channels	Average Units/Month	Percentage (%)	Est. Income (Rp)
Ciawigebang Traditional Market	572 bottles	55%	4.290.000
Local stalls (consignment)	312 bottles	30%	2.340.000
Social media (direct order)	156 bottles	15%	1.170.000
TOTAL	1,040 bottles	100%	7.800.000

Source: Estimate based on interview data, unit price IDR 7,500/bottle

Aspects of Financing and Financial Management

The most crucial finding in this study is the financing aspect. Since its inception, Jenniper MSMEs have not used loans from conventional banks or loan sharks. All business capital is sourced from personal savings and interest-free family assistance, substantially in line with the principle of avoidance of usury. The owner consciously rejected the offer of people's business loans (KUR) from conventional banks due to concerns about the interest element, even though KUR has a low subsidized interest rate. A comparable, religiously motivated avoidance of riba-based loans has been documented in Bengkulu, where refraining from such loans was

associated with improvements in perceived mental, physical, and spiritual wellbeing (Setiawan, 2023).

However, business financial management is still carried out informally and is not separate from household finance. Financial recording is only in the form of a simple record of expenses and income in a notebook. There are no income statements, balance sheets, or cash flows that meet accounting standards, let alone sharia accounting standards (PSAK 101/102). It should be noted that PSAK 101 (presentation of sharia financial statements) and PSAK 102 (murabahah accounting) are designed for entities that conduct sharia transactions.

For a micro enterprise such as Jenniper, the directly applicable standard is SAK EMKM (Ikatan Akuntan Indonesia, 2016), while PSAK 101 serves as a reference for sharia-oriented reporting (e.g., of alms and zakat) and PSAK 102 would become relevant only if the enterprise obtained murabahah-based financing. The gap identified here therefore refers primarily to the absence of separate business records meeting SAK EMKM, which is a precondition for adopting sharia accounting practices. This condition is a significant gap that limits the ability of businesses to grow, access formal financing, and convince business partners. This limitation is notable because provincial-level evidence from Indonesia shows that both Islamic and conventional banks provide more financing in more religious provinces, where non-performing financing is also lower (I. F. Wijaya et al., 2023).

These findings imply that Jenniper MSMEs have significant growth potential if their financial management is improved through sharia-based bookkeeping training. Similar associations between Islamic financial literacy, Islamic financial inclusion, and MSME performance have been reported among MSMEs in Riau and in the halal tourism sector (Masrizal et al., 2025; Mujiatun et al., 2023), although such survey-based associations cannot be directly transferred to a single case.

Maslahah Dimension and Social Impact

The concept of *maslahah* (benefit) in '*muamalah fiqh*' is categorized by Al-Ghazali into five dimensions of protection: soul (*nafs*), intellect ('*aql*), offspring (*nasl*), property (*mal*), and religion (*din*). In the context of MSMEs, This *maslahah* approach is an evaluative framework in this study to assess the extent to which Jenniper's MSME practices contribute to the welfare of not only the owners business, but also employees, consumers, and the community around Ciawigebang. This use of *maslahah* as an evaluative lens is consistent with the *maqasid*-based view that business activities should promote public interest beyond the benefit of owners (Dusuki & Abdullah, 2007).

Evaluation using the *Maslahah* framework shows that Jenniper MSMEs make a real contribution to several dimensions of community welfare. First, in terms of life protection (*nafs*), products made from natural spices are perceived by the owner and customer informants as supporting health, especially during and after the pandemic when the demand for immune beverages increased sharply, as reported by the owner. The owner even mentioned giving free products to sick residents around his neighborhood. This study did not examine health effects through laboratory or clinical evidence; therefore, this dimension reflects perceived rather than verified health benefits.

Second, in terms of asset protection (*mal*), this business creates jobs for 3-5 local residents who previously did not have permanent jobs. Third, from the social-communal side,

the owner actively contributes to the activities of the local *ta'lim* assembly and allocates part of the income for routine alms. Although it is not formalized in the company's CSR or zakat scheme, this practice reflects the spirit of wealth redistribution in Islam.

Table 4. Evaluation of Jenniper MSMEs Based on the *Maslahah* Framework

Dimension of <i>Maslahah</i>	Manifestations in Endeavor	Fulfillment Rate	Notes
<i>Hifzh al-Nafs</i> (soul)	Natural-ingredient products perceived as health-supporting (not clinically tested), product alms to sick residents	High	Not yet certified
<i>Hifzh al-Mal</i> (wealth)	Creating 3-5 local jobs, honest transactions	High	The Need for Formalization
<i>Hifzh al-'aql</i> (intellect)	The product does not contain substances that are harmful to the mind	High	Appropriate
<i>Hifzh al-Nasl</i> (descendants)	Family business, cross-generational transfer of expertise	Medium	Potential developed
<i>Hifzh al-Din</i> (religion)	Contribution to the <i>ta'lim</i> assembly, routine alms	Medium	Not yet formalized

Source: Researcher analysis based on Thahir (2022) framework and primary data

Gaps and Recommendations

From the comprehensive analysis above, four main gaps were identified between the practices of Jenniper MSMEs and the ideal standards of Islamic economics: (1) They do not have formal halal certification from BPJPH, even though the product has substantially met halal standards; (2) Financial management that has not been separated from household finances and does not use sharia accounting standards; (3) Lack of access and knowledge about formal sharia financing instruments such as BMT or Sharia BPR; (4) There has been no formalization of the mechanism of alms and business zakat. Evidence from Bangladesh shows that business zakah can serve as a considerable source of funding for entrepreneurs' social projects benefiting the underprivileged (Hoque, 2023).

The proposed recommendations include: assistance in the preparation of simple sharia-based financial statements by sharia economics students or MSME incubators; facilitation of halal certification through the MUI or BPJPH program for micro MSMEs; connection with BMT Kuningan as an Islamic finance partner; as well as the integration of empowerment programs based on Islamic boarding schools or *ta'lim* assemblies that are already active in the community.

Novelty and Research Contribution

The novelty of this research lies in three aspects. First, from a geographical perspective, to the best of the authors' knowledge, this study is among the first to systematically examine MSMEs in Ciawigebang, Kuningan through the lens of Islamic economics, filling the literary blank spots that have been dominated by studies from more urban areas of West Java (Bandung, Bogor, Bekasi). Second, from the analytical side, this study integrates two frameworks at once, the evaluation of transactional sharia principles and the holistic *maslahah* framework, in informal micro MSMEs that, within the literature reviewed, have rarely been studied simultaneously.

Third, in terms of findings, this study reveals the phenomenon of 'implicit compliance' – a condition in which Muslim business actors practically practice Islamic economic principles without formal literacy about it. This phenomenon is theoretically important because it shows that, in this case, Islam as a way of life has been culturally internalized among traditional business actors, but it needs to be formalized in order to provide maximum benefits. This interpretation is consistent with survey evidence from Indonesian Muslims indicating that Islamic financial literacy has a stronger effect than religiosity on financial management behavior and financial well-being (H. R. Wijaya et al., 2024). These findings do not empirically test the relationship between religiosity, sharia economic literacy, and MSME performance; rather, they offer a contextual proposition, namely that religiously motivated practices may precede formal sharia literacy, which can be examined in future multi-case or quantitative studies.

CONCLUSION

This research successfully answered the three objectives set. Jenniper MSMEs in Ciawigebang, Kuningan is a micro business producing processed spiced drinks that has been operating since 2019, employs 3–5 local workers, and has an average turnover of Rp 6.5–9 million per month. Conformity analysis shows that these business practices are substantively aligned with Islamic economic principles, especially in the aspects of product halalness, honesty of transactions, avoidance of usury, and community *maslahah* orientation, even though these conformity takes place implicitly and has not been formally documented.

The gaps identified include the absence of formal halal certification, financial management that has not met sharia accounting standards, and lack of connection with the formal sharia financial ecosystem. The practical implication is the need for a structured mentoring program connecting MSMEs with Islamic economic education institutions, Islamic microfinance institutions (BMT/BPRS), and subsidized halal certification programs to strengthen sharia-based business practices and formalization.

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