

# Moderation as Cultural Negotiation: Islamic Business Ethics and Local Value Integration in Indonesian Chinese Muslim Micro, Small, and Medium Enterprises (MSMEs)

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## ABSTRACT

This study explores the implementation of religious moderation within Chinese Muslim MSMEs in Jakarta. Employing a qualitative case study approach, data were collected through observation and in-depth interviews with three purposively selected Chinese Muslim entrepreneurs. Unlike prior studies, this research applies the framework of religious moderation to analyze Islamic business ethics in harmony with local cultural values. The findings reveal that Chinese Muslim MSMEs effectively integrate Islamic principles with traditional Chinese virtues, such as *birr al-wālidayn* and *xiao*, emphasizing filial piety as foundational ethical values. These values shape business practices that are fair, humane, and socially responsible. The study demonstrates that religious moderation can be expressed through daily business conduct, fostering tolerance, respect, and cross-cultural understanding. The integration of Islamic teachings and Chinese traditions offers a model for inclusive and sustainable business environments. Ultimately, this research contributes to broader efforts in promoting religious moderation and multicultural coexistence in economic practices.

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## 1. INTRODUCTION

In the globalized economy marked by increasing pluralism, the integration of religious-cultural values into business operations presents both critical relevance and complex challenges. Indonesia's strategic emphasis on religious moderation—promoted through national policies as a stabilizing mechanism for social cohesion (KEMENAG, 2019)—has been extensively examined in sociopolitical discourses but remains underexplored in economic contexts, particularly regarding Small and Medium Enterprises (SMEs). This scholarly gap becomes particularly evident when analyzing identity-navigation strategies among hybrid communities like Jakarta's Chinese Muslim SMEs, who synergize Islamic principles with Chinese cultural traditions.

The operationalization of religious moderation within this dual-identity entrepreneurial cohort—manifested through ethical frameworks, stakeholder engagement models, and culturally-informed decision-making processes—constitutes a vital yet understudied dimension of Indonesia's economic pluralism. Their unique position as cultural interlocutors bridging Islamic commercial ethics with Confucian business practices offers critical insights into reconciling religious values with multicultural market realities, warranting urgent academic and policy attention to inform inclusive economic development strategies.

This study addresses the lack of in-depth understanding of implementing the concept of religious moderation in business practices, particularly among the Chinese Muslim Micro, Small, and Medium Enterprise (MSME) community. Although religious moderation is increasingly becoming a major focus in national discourse in Indonesia (Suhail et al., 2025), empirical research linking it to economic behavior and business ethics, especially among minority groups, is still very limited. This creates a significant gap in the existing literature.

Furthermore, Islamic business ethics literature often fails to specifically address how Islamic universal values can integrate harmoniously with local cultural values, such as Chinese traditions, in daily business practices. Previous studies may address religious moderation in general or Islamic business ethics. Most studies of religious moderation tend to focus on socio-religious or political aspects, not on daily economic practices, but rarely examine the intersection of the two in Chinese Muslim minority identity. Imam Subchi et al., in their writing, highlighted the importance of Religious Moderation to counteract intolerance and radicalism. According to him, a person's religiosity also positively affects religious moderation (Subchi et al., 2022). Furthermore, Hadi Pajarianto et al. said that religion and culture can play an important role in building harmonious relations between religious communities (Pajarianto et al., 2022).

Islamic business ethics has been widely studied, but most of the literature tends to be normative (Sofyan et al., 2024) in business Islamic Financial Institutions and focuses on the context of Muslim-majority societies. Muhammad Adli Musa et al. and M. Farhan Basheer et al. who examined Islamic business ethics in Islamic Financial Institutions, found that there is a positive correlation between employee attitudes and behavior and ethical practices in Islamic banks (Basheer et al., 2019; Musa et al., 2020). At the same time, Imran Mehboob Shaikh and Hanudin Amin highlighted ethics in halal supply chain management (Shaikh & Amin, 2025). It is still very rare to discuss the integration of Islamic values with the local culture of non-Muslim minorities. This gap underscores the urgency for more in-depth and focused research on the complex interactions between religious identity, culture, and business practices in a multicultural society like Indonesia.

This study agrees with some previous research, namely Saifuddin's opinion that Muslim Chinese people still accommodate local cultural values even though they are Muslim (Saifuddin, 2019). This opinion is also emphasized by Reinhard, who states that the religion adopted by the Chinese greatly influences them in running their business (Stefanus Reinhard, 2014). This integration is a form of multicultural awareness that is reflected wisely. This is reflected in the ethics and values that Chinese Muslims hold dear. In the context of integration, it can be reflected in the concept of halal and *ṭayyib*, where Islam directs Muslim entrepreneurs to run businesses ethically in every business process (Aswan Lubis, 2017).

Choirul Mahfud's research investigates development strategies for minority Muslim communities, with a specialized focus on the Indonesian Chinese Islamic Association (PITI) in East Java. (Mahfud (2018). analyzes PITI's community empowerment model, particularly its youth-led initiatives to nurture *mu'allaf* (new Muslim converts) through interfaith engagement programs at Surabaya's Cheng Hoo Mosque. This case study highlights scalable approaches for reconciling ethnic identity with Islamic acculturation, positioning PITI's methodology as an exemplary framework for minority faith communities navigating pluralistic socioreligious landscapes.

This research specifically looks at Chinese Muslim MSMEs, a unique and rarely explored group in the context of religious moderation and business ethics, and the challenges they face in integrating both principles, both among Muslims and non-Muslims.

Religious moderation is an adaptive framework that enables Chinese Muslim MSME players to harmoniously integrate Islamic business ethics with traditional Chinese cultural values, resulting in fair, humane, and inclusive business practices. We argue that moderation is not just a theoretical concept but an actual practice reflected in their business values and decisions. The linkage between Islamic teachings and Chinese noble values, such as respect for elders (*birr al-wāliḍayn* dan *xiao*), is tangible evidence of this integration, which contributes to creating sustainable business models and promoting diversity in the local economy. This research will show that hybrid identities, when imbued with the principle of moderation, can be a positive force that drives innovation and socially responsible business practices.

## **2. METHODS**

This study adopts Creswell's qualitative case study framework to investigate the integration of Islamic ethics and localized cultural values in moderating business practices among Chinese Muslim Micro, Small, and Medium Enterprise (MSME) entrepreneurs in Jakarta. The methodology was selected to facilitate a nuanced exploration of religious moderation within culturally hybrid entrepreneurial contexts. Participants were purposively sampled through snowball techniques (Creswell, 2012), with selection criteria prioritizing: (1) direct experiential engagement in harmonizing Islamic principles with Chinese cultural norms; (2) contextual representativeness as cultural interlocutors, despite non-statistical generalizability; (3) accessibility for longitudinal observational and interview-based inquiry; and (4) demonstrated credibility and integrity in data provision.

Research implementation followed a phased design: initial instrument development, problem formulation, and iterative refinement of research questions. Primary data derived from

semi-structured interviews with Chinese Muslim MSME proprietors, guided by a thematic framework centering on moderation dynamics. Secondary data were collated from scholarly publications and organizational records. Triangulated data collection encompassed participatory observation of business operations, document analysis of enterprise records, and in-depth interviews. Thematic analysis employed Miles and Huberman (1994) interactive model, progressing through data reduction, structured display, and inductive conclusion verification.

To mitigate qualitative limitations, methodological and source triangulation were implemented per Creswell (2013), cross-verifying findings across datasets and collection modes. Member-checking procedures ensured interpretive fidelity by reconfirming emergent themes with participants. Thick description of informant profiles, operational contexts, and methodological protocols was provided to enhance transferability and auditability. The study adhered to ethical protocols including informed consent, anonymization, and reflexive bracketing of researcher bias. Fieldwork was conducted in Jakarta's Chinese Muslim business enclaves, with epistemological attention to the intersectionality of ethno-religious identity and entrepreneurial praxis.

### 3. RESULTS AND DISCUSSION

This section comprehensively synthesizes findings from an in-depth investigation into the operationalization of ethno-religious moderation within Chinese Muslim micro, small, and medium enterprises (MSMEs). Building on a review of Islamic business ethics frameworks and the sociohistorical context of Indonesia's Chinese Muslim minority, the analysis now shifts to empirical insights derived from in-depth interviews and participatory observations. These data elucidate how Islamic principles—such as *adl* (justice) and *ihsan* (excellence)—synergize with localized Confucian values to shape business practices oriented toward moderation, equity, and community cohesion.

The analysis not only delineates empirical findings but also contextualizes their significance within cross-cultural business ethics scholarship. Case studies of pivotal figures—including Abdurrohman Ong (Koh Aman), Hartono Limin, and H. Ali Karim Oei—demonstrate how their enterprises exemplify religious moderation through adaptive strategies that harmonize Islamic norms with Chinese cultural pragmatism. For instance, Ong's integration of *halal* certification processes with supply-chain efficiency aligns with Chin and Sukamdani (2023) emphasis on Confucian principles of diligence and relational trust as drivers of sustainable business models. Such synergies reveal how ethno-religious moderation fosters inclusive economic participation while mitigating cultural tensions, thereby advancing SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities).

By bridging theoretical constructs with on-the-ground practices, this section offers critical insights into minority-driven moderation frameworks in pluralistic economies. It further contributes to global discourse on culturally adaptive business ethics, particularly in contexts where religious identity intersects with diasporic heritage.

#### 3.1. *Historical Trajectory of Ethnic Chinese Muslims in Jakarta*

During the 15th–18th centuries, maritime expeditions such as those led by Admiral Cheng Ho (Zheng He) facilitated the arrival of Muslim Chinese communities to the Indonesian archipelago. Cheng Ho's fleet, comprising tens of thousands of crew members—many of whom

practiced Islam—established early precedents for transcultural integration. Historical accounts, including Ma Huan's *Yingyai Shenglan* (1433), document settlements of Muslim Chinese in Java who intermarried with local populations, fostering a period of cultural symbiosis between migrant and indigenous communities (Mukhooyaroh, 2021). This era of relative harmony, marked by marital alliances with Javanese nobility, underscores the precolonial roots of Sino-Indigenous socioreligious hybridity.

Colonial interventions under Dutch rule (17th–20th centuries) systematically disrupted these integrative dynamics. The imposition of a racial hierarchization system—categorizing populations into Europeans, *Vreemde Oosterlingen* (Foreign Orientals, including ethnic Chinese), and *Inlanders* (natives)—institutionalized ethno-class stratification. By relegating Indigenous Indonesians to the lowest tier while positioning ethnic Chinese as an intermediary bourgeoisie, Dutch policies disincentivized Chinese conversion to Islam, which became stigmatized as a marker of lower status (Mukhooyaroh, 2021). The creation of Chinatown enclaves as spatially segregated zones amplified socioeconomic inequalities, deepening intercommunal distrust and obstructing the assimilation of Islamic cultural practices within the Chinese diaspora.

The post-Reformasi era, inaugurated by President Suharto's resignation in 1998, precipitated a transformative reconfiguration of Indonesia's identity politics. Under President Abdurrahman Wahid's administration (1999–2001), citizenship was redefined through a pluralist framework that formally acknowledged ethnic Chinese communities as integral constituents of the nation's multicultural mosaic. This policy paradigm enshrined cultural and religious rights—including the Islamic practices of Chinese Muslims—while reinforcing constitutional allegiance to *Pancasila* nationalism (Jahja, 1991). Such reforms signified a decisive pivot from assimilationist ideologies, institutionalizing *Bhinneka Tunggal Ika* ("Unity in Diversity") as the cardinal principle of postcolonial governance.

Concurrently, the early 20th century witnessed the consolidation of Chinese Muslim civic agency through the systematic establishment of socioreligious institutions. As documented by (Deni Miharja et al., 2019), these communities founded mosques, schools, and educational networks, emblematic of their strategic focus on faith-based organizing. Despite prevailing stereotypes and systemic discrimination, Chinese Muslims achieved notable socioeconomic mobility, excelling in entrepreneurial ventures and educational leadership. Their dual navigation of religious identity and diasporic heritage underscores a resilience that challenges reductive narratives of marginalization.

### 3.2. Chinese Muslim MSMEs: Case Studies in Ethno-Religious Moderation

This section examines the operationalization of religious moderation within Chinese Muslim micro, small, and medium enterprises (MSMEs) through two paradigmatic case studies. By analyzing the entrepreneurial practices of Abdurrohman Ong (Koh Aman) and H. Ali Karim Oei, this research demonstrates how Islamic business ethics intersect with Chinese cultural values to foster inclusive economic models grounded in pluralistic principles.

Abdurrohman Ong, colloquially known as Koh Aman, exemplifies the synthesis of Islamic entrepreneurial ethics and Chinese pragmatism. As a young entrepreneur, Ong has established two distinct ventures: an automotive parts enterprise reflecting his market acuity, and a halal culinary business employing seven staff. His dual success underscores the viability of moderation as a strategic framework, where Islamic tenets of *halal* compliance and equitable labor practices



coalesce with Confucian values of diligence and relational trust (Chin, 2023; Sukamdani, 2023). Interviews conducted on 4 October 2024 and 7 June 2025 reveal Ong's intentional alignment of profit motives with community welfare—such as prioritizing local suppliers and offering apprenticeship programs—thereby transcending theoretical moderation discourse through applied, culturally adaptive business ethics.

H. Ali Karim Oei, a revered figure in Indonesia's Chinese Muslim community, embodies the integration of socio-spiritual stewardship and economic leadership. As trustee of Jakarta's historic Lautze Mosque—a nexus for Chinese Muslim identity formation since 1991—Oei leverages his commercial expertise to bridge Islamic pedagogy with community empowerment. His initiatives include faith-based financial literacy workshops and interethnic trade partnerships, illustrating how moderation operates as a mechanism for reconciling diasporic identity with civic belonging (Interview, 4 October 2024). By harmonizing profit generation with mosque-led social programs, Oei's model advances SDG 8 (Decent Work) and SDG 10 (Reduced Inequalities), positioning religious moderation as a catalyst for sustainable development.

These case studies collectively demonstrate that ethno-religious moderation in MSMEs is neither static nor merely symbolic. Rather, it emerges as a dynamic praxis where cultural hybridity is strategically mobilized to navigate postcolonial market realities while countering sectarian marginalization.

Hartono Limin epitomizes the confluence of entrepreneurial foresight and socio-spiritual stewardship. As Chair of the Amanah Kita Foundation (Yayasan Amanah Kita)—a philanthropic institution advancing culturally rooted Islamic initiatives in education, heritage preservation, and interfaith dialogue—Limin's flagship project, the *99 World Mosques Miniature Park*, redefines religious moderation as architectural diplomacy. This endeavor transcends mere replication of sacred structures; it curates a transnational narrative of Islamic unity, harmonizing diverse cultural expressions of worship within a shared spiritual framework. By transforming mosques into pedagogical symbols of universal coexistence, the project operationalizes SDG 11 (Sustainable Cities and Communities) through faith-based cultural infrastructure (Interview, 4 October 2024). Limin's dual role as business leader and foundation trustee exemplifies how capital accumulation can be ethically recalibrated to fund socio-religious innovation, thereby redefining corporate accountability in minority contexts.

Collectively, the case studies of Abdurrohman Ong, Hartono Limin, and H. Ali Karim Oei delineate a tripartite model of ethno-religious moderation in Chinese Muslim MSMEs: (1) Hybrid Entrepreneurialism: Strategic alignment of Islamic ethics (*halal* integrity, profit-sharing) with Confucian pragmatism (market adaptability, intergenerational legacy). (2) Multicultural Custodianship: Leveraging diasporic identity to broker intercultural dialogue, as evidenced by Limin's mosque park and Oei's interethnic trade networks. (3) Developmental Piety: Embedding community welfare into business architectures, such as Ong's apprenticeship programs and Amanah Kita's SDG-aligned education initiatives.

These actors dismantle the perceived dichotomy between Muslim-Chinese identity and nationalist belonging, instead positioning dual heritage as a catalyst for equitable growth. Their enterprises demonstrate how moderation functions as a transactional virtue—negotiating market demands and communal expectations to forge inclusive economies. This paradigm shift from assimilation to syncretism offers a replicable framework for multicultural pluralism, particularly in postcolonial societies navigating globalization pressures. The cases advance the concept of

diasporic developmentalism—where minority entrepreneurs act as architects of socio-economic cohesion by operationalizing SDG 17 (Partnerships for the Goals) through culturally adaptive business models.

Abdurrahman Ong (Koh Aman), a 24-year veteran entrepreneur, operationalizes ethical moderation through dual ventures in automotive parts and halal culinary enterprises, employing seven staff. His ventures epitomize the synthesis of Confucian resilience (Lei, 2025) and Islamic principles of halal livelihood, prioritizing equitable labor practices and reinvestment in community upskilling over profit maximization. This alignment reflects a business model where *adl* (justice) in wage distribution and supplier partnerships coexists with market-driven adaptability, redefining moderation as a strategic equilibrium between material ambition and ethical constraints.

H. Ali Karim Oei, businessman and Trustee of Jakarta's Lautze Mosque, embodies moderation as a transactional virtue. His leadership at this historic mosque—a hub for inclusive Islamic outreach since 1991—leverages commercial expertise to foster intercultural dialogue while advancing *maqāṣid al-sharī'ah* (higher objectives of Islamic law) through faith-based financial inclusion programs (Okviosa, 2024). By integrating mosque-led *zakat* (almsgiving) initiatives with SME mentorship, Oei's model demonstrates how spiritual stewardship can catalyze SDG 1 (No Poverty) and SDG 8 (Decent Work), positioning religious institutions as engines of socioeconomic equity.

Hartono Limin, Chairman of Yayasan Amanah Kita, reimagines moderation through the *99 World Mosques Miniature Park*—a faith-infused architectural diplomacy project. This initiative transcends cultural preservation, instead framing Islamic architectural diversity as pedagogical tools for SDG 4 (Quality Education) and SDG 16 (Peaceful Societies). By channeling corporate profits into this *maṣlaḥah* (public welfare)-driven endeavor, Limin actualizes *wasāṭiyyah* (Islamic centrism) as a developmental praxis, where material success fuels civilizational literacy (Muhajarah & Soebahar, 2024).

For these entrepreneurs, the Qur'anic injunction to “*eat of the lawful and good things*” (2:168) intersects with Confucian pragmatism, producing a hybrid ethical framework. Their adherence to *amānah* (trustworthiness) in transactions, nondiscriminatory labor policies, and anti-hoarding principles underscores a belief system where worldly prosperity aligns with spiritual security. Crucially, their success derives not from rejecting modern management science but from embedding cultural-religious axioms—work ethic (*jinzhi*), frugality (*jiejian*), and communal obligation (*zeren*)—into business architectures (Shulthoni, 2017). This paradigm offers a replicable model for SDG 12 (Responsible Consumption) by proving that identity-driven ethics can countervail extractive capitalism.

Chinese Muslim micro, small, and medium enterprises (MSMEs) in Indonesia exemplify a unique confluence of ethno-religious hybridity, where Islamic principles and Chinese cultural heritage coalesce into a resilient business ethos. This syncretism manifests in four operational pillars: (1) ethical hybridity (merging Confucian relational ethics with Islamic *ukhuwwah islāmiyyah* [brotherhood]); (2) adaptive sustainability through circular business models; (3) cultural agility in market responsiveness; and (4) translocal social capital leveraging both Chinese clan networks and mosque-based communities (Zamroni, 2021). Such integration positions these enterprises as living laboratories for SDG 10 (Reduced Inequalities), demonstrating how pluralistic values can drive inclusive growth in multicultural economies.

The operationalization of cultural-religious hybridity within Chinese Muslim MSMEs necessitates navigating three interrelated challenges. Foremost is the tension between entrenched Chinese entrepreneurial traditions, such as familial exclusivity in supply chains, and Islamic ethical mandates for transparency (*sidq*) and equitable wealth distribution (*‘adl*). This alignment demands recalibrating business norms to reconcile cultural heritage with theological compliance (Fahrani & Setyawan, 2022). Concurrently, food-sector enterprises grapple with multilayered halal certification hurdles, spanning procurement of compliant raw materials to facility retrofitting—a process exacerbated by fragmented regulatory frameworks and insufficient technical support. Further complicating this landscape is the need for culturally nuanced market positioning, requiring MSMEs to balance appeals to Indonesia’s Muslim majority (87% of the population) with differentiation strategies for ethnically Chinese consumer segments, all while avoiding reductive cultural essentialization.

Despite these complexities, Chinese Muslim MSMEs occupy a strategic niche within Indonesia’s \$1.3 trillion halal economy, leveraging dual demographic and digital advantages. Capitalizing on a consumer base of 235 million Muslims and 2.8 million ethnic Chinese, businesses synthesize halal integrity with cultural signifiers—exemplified by innovations like halal-certified mooncakes. Institutional enablement through initiatives such as the Halal Product Guarantee Agency’s (BPJPH) SME acceleration programs further scaffolds regulatory compliance and market access. Simultaneously, digital disruption is reshaping operations: blockchain adoption enhances halal traceability (advancing SDG 12.4 on sustainable production), while AI-driven sentiment analysis optimizes cross-cultural marketing strategies (Kharisma et al., 2021; Saputri et al., 2024). This interplay of cultural syncretism, adaptive challenge navigation, and digital-demographic leveraging positions Chinese Muslim MSMEs as pioneers in Indonesia’s transition toward a faith-infused, culturally intelligent digital economy. Their evolution provides critical insights for Global South nations seeking to harmonize identity pluralism with Fourth Industrial Revolution imperatives.

Chinese Muslim entrepreneurs employ a tripartite adaptive strategy to navigate market complexities, blending resilience, innovation, and ethical capitalism. As Chandra and Ikbāl (2025) elucidate, these actors demonstrate diasporic entrepreneurial agency—harnessing Islamic principles (*amanah*/trustworthiness, *ihsan*/excellence) and Confucian virtues (*xin*/integrity, *li*/propriety) to forge integrity-driven enterprises. This syncretic ethos enables them to transcend conventional profit paradigms, instead prioritizing *maqāṣid al-sharī‘ah* (higher objectives of Islamic law) through equitable labor practices and anti-hoarding reinvestment strategies. The resultant trust capital attracts cross-demographic consumer bases, from Java’s *santri* communities to ethnic Chinese enclaves in Medan.

Innovation emerges as a critical lever, with entrepreneurs exploiting untapped niches at the Islamo-Sinic interface. Atmaja et al., (2023) document case studies like *halal*-certified mooncakes infused with ginger-molasses fillings—a gastronomic innovation marrying Chinese culinary heritage with *ḥarām*-free assurance. Such products operationalize SDG 9 (Industry, Innovation and Infrastructure) by redefining cultural commodities through faith-compliant value addition. Concurrently, blockchain-enabled *halal* traceability systems address SDG 12.6 (Sustainable Corporate Practices), assuring consumers from Jakarta to Riyadh of ethical supply chains.

Strategic human capital development underpins these efforts. Entrepreneurs invest in *fiqh al-mu‘āmalāt* (Islamic transactional jurisprudence) training for staff, ensuring Sharia compliance



in financial operations and stakeholder engagement. This knowledge base facilitates cross-cultural mediation—whether negotiating with Confucian-aligned suppliers or Muslim-majority distributors. Complementing this is strategic embeddedness in dual networks: Chinese clan associations (*kongsi*) provide seed funding and market intelligence, while Islamic chambers of commerce (e.g., MUI Halal Center) offer certification support and export linkages.

Collectively, these strategies position Chinese Muslim MSMEs as architects of inclusive economic hybridity, demonstrating how minority entrepreneurs can recalibrate systemic barriers into sustainable competitive advantages. Their model offers a blueprint for SDG 8.3 (Entrepreneurship in Developing Economies), proving that faith-cultural syncretism can drive equitable growth in pluralistic markets.

### 3.3. *Islamic Business Ethics*

Islamic business ethics constitutes a comprehensive ethical framework derived from Qur'anic principles and *Sunnah* traditions, designed to institutionalize equitable, sustainable economic systems that harmonize material prosperity with spiritual well-being (Silviyah & Lestari, 2022; Umuri & Ibrahim, 2020). For Chinese Muslim MSMEs in Indonesia, these ethics transcend normative guidelines, functioning as strategic imperatives that align commercial operations with *maqāṣid al-sharī'ah* (higher objectives of Islamic law). Central to this alignment are the principles of *al-amanah* (trustworthiness) and *al-'adl* (distributive justice), which manifest in practices such as transparent pricing, equitable wage structures, and non-exploitative supplier partnerships (Darmawati et al., 2023). By prioritizing *barakah* (divine blessing) over profit maximization, these enterprises redefine success metrics to integrate spiritual accountability—a paradigm that enhances consumer trust and institutional resilience.

The integration of Islamic ethics within Chinese Muslim MSMEs is exemplified by rigorous adherence to *halal*-certified supply chains and Sharia-compliant financial protocols. Operational transparency extends to full disclosure of raw material sourcing, production methodologies, and blockchain-enabled traceability systems—practices that satisfy both Islamic *ḥisbah* (public accountability) and SDG 12.6 (Sustainable Corporate Practices) (Widigdo & Triyanto, 2024). Financial management further embodies ethical rigor through the systematic avoidance of *ribā* (usurious interest) and *gharar* (speculative uncertainty), with capital procurement restricted to *mushārakah* (profit-sharing) partnerships and *murābahah* (cost-plus financing) models. Such practices not only comply with Bank Indonesia's Islamic Banking Act (No. 21/2008) but also advance SDG 8.10 (Financial Inclusion for SMEs).

The confluence of Islamic ethics and Chinese entrepreneurial pragmatism fosters a unique competitive advantage. By embedding *ṣidq* (truthfulness) in customer relations and *ihsān* (excellence) in product quality, these MSMEs cultivate brand loyalty across Indonesia's Muslim majority (87%) and ethnically Chinese consumer segments (Hasan et al., 2022). This dual-market penetration is amplified through culturally hybrid innovations—such as *halal*-certified mooncakes or batik fabrics integrating Arabic calligraphy—which operationalize SDG 9.b (Support for Domestic Technology Development).

Chinese Muslim MSMEs exemplify how faith-based ethics can catalyze inclusive economic systems, reconciling SDG 8 (Decent Work) with SDG 16.6 (Accountable Institutions). Their value-driven operational model demonstrates that religious moderation in business—far from being a theoretical ideal—serves as a scaffold for sustainable development, fostering

resilience against market volatility while advancing Indonesia's transition to a *maṣlahah*-oriented economy.

Islamic business ethics is grounded in foundational principles that include justice, honesty, trustworthiness, social responsibility, and the prohibition of *ribā* (usury), *gharar* (excessive uncertainty), and *maysir* (gambling). These ethics offer a compelling alternative to contemporary business paradigms, advocating for an economic system that prioritizes equitable sustainability and divine blessings (*barakah*) for humanity (Purwanti & Pujawati, 2021; Ramadhany et al., 2023).

Empirical evidence from this study reveals that all three informants have consciously integrated these principles into their business practices. Their adherence underscores a dual awareness: profitability must coexist with religious values. Islam, through Sharia, provides clear doctrinal guidelines for all aspects of life—including commerce—ensuring ethical alignment transcends theory into actionable praxis.

**Figure 1.** Atmosphere in an Informant's Shop



Source: interview, 04 October 2024

The first informant adopted Islamic ethical frameworks as operational guidelines, motivated by Islam's holistic normative framework governing all human endeavors—including commerce. This preference stems from the tradition's systematic integration of moral imperatives such as transactional honesty (*ṣidq*), distributive justice (*ʿadl*), and stakeholder responsibility. These principles are perceived not merely as regulatory constraints but as intrinsic components of existential fulfillment, where ethical business practices directly correlate with spiritual equilibrium (inner peace). The informant's rationale positions Islamic ethics as both a compliance mechanism and a pathway to psychological well-being through alignment with transcendent moral objectives (Personal interview, October 4, 2024).

The second informant frames Islamic business ethics as a transformative paradigm for equitable, human-centered commerce. This framework harmonizes economic objectives with moral imperatives, advocating for profit generation that concurrently ensures stakeholder welfare—encompassing consumers, employees, and societal interests. The system is interpreted as a counterbalance to capitalist paradigms, mandating businesses to fulfill financial goals while advancing communal prosperity via holistic value creation. Such integration reflects efforts to reconcile market demands with sustainable socioeconomic development (Personal interview,

October 4, 2024).

The third informant offers a unique perspective, viewing Islamic business ethics as a tool for fostering justice, respecting differences, and uniting communities across religious divides. For them, these ethics transcend economic principles, cultivating inclusive practices and humanitarian engagement. Colleagues, workers, and customers—regardless of creed—are accorded equal respect, reflecting the belief that all humans are equal before God.

### 3.4. *Integration of Chinese and Islamic Values*

The operational paradigm of Chinese Muslim MSMEs is distinguished by the strategic integration of Confucian cultural values with Islamic ethical frameworks, fostering a business model enriched with sociospiritual dimensions. Central to this synergy is the harmonization of *héxié* (harmony) in Chinese relational philosophy with Islamic imperatives for *silaturahmi* (community kinship) and *ukhuwwah islāmiyyah* (Islamic brotherhood). These enterprises prioritize sustainable network-building through trust-based reciprocity, aligning Confucian emphasis on familial and communal bonds (*guānxi*) with Qur’anic injunctions to “hold firmly to the rope of Allah collectively” (3:103). Empirical studies confirm that such ethical hybridity enhances organizational resilience and divine blessings (*barakah*) within minority business ecosystems (Suharyanto & Matondang, 2018).

The principle of *xiào* (孝, filial piety) in Chinese ethics resonates with Islam’s *birr al-wālidayn* (dutifulness to parents), both framing familial obligation as sacrosanct. In Islamic theology, *birr* transcends cultural norms, constituting a divine mandate (Qur’an 17:23-24) with eschatological consequences (Astuti, 2021). Similarly, *xiào* serves as the moral bedrock of Chinese society, where filial devotion engenders societal trust and legitimizes entrepreneurial success as multigenerational stewardship (Xu & Fang, 2021). For Jakarta’s Chinese Muslim entrepreneurs, this dual emphasis transforms business prosperity into an act of intergenerational *ṣadaqah jāriyah* (perpetual charity), bridging cultural and spiritual imperatives.

The fusion of Confucian *qínfèn* (diligence) with Islam’s *kasb al-ḥalāl* (ethical livelihood pursuit) drives productivity and supply chain integrity. Further synergies emerge in social responsibility frameworks: Islamic *zakāt* (wealth purification), *infāq* (discretionary giving), and *ṣadaqah* (charity) intertwine with the *Wu Chang* (五常, Five Constants)—particularly *rén* (仁, benevolence) and *yì* (義, righteousness)—to institutionalize community-centric capitalism. This ethical matrix enables MSMEs to advance SDG 1 (No Poverty) through equitable wealth distribution while reinforcing SDG 8 (Decent Work) via inclusive employment practices (Hartati, 2021).

The Jakarta case study demonstrates that religious moderation in business manifests as cultural *fiqh*—contextually adapting universal ethics to local cosmologies. By codifying *xiào* and *birr* into operational guidelines, these MSMEs exemplify how pluralistic virtue frameworks can counter economic exclusion, positioning ethno-religious hybridity as a catalyst for SDG 10 (Reduced Inequalities). Their success redefines “profit with piety” not as paradox but as sustainable praxis in globalized markets.

### 3.5. *Manifesting of Religious Moderation in Chinese Muslim MSME Business*

The integration of Islamic ethics and Chinese cultural values operationalizes religious moderation within Chinese Muslim MSMEs, manifesting through tolerance and inclusive stakeholder engagement. These enterprises exemplify intercultural pragmatism by interacting with customers, suppliers, and partners across religious and ethnic divides without discriminatory bias. Such practices transcend social compliance, reflecting a dual commitment to Islamic principles of *ikhthilāf* (respectful diversity) and the Confucian ideal of *héxié* (和諧, harmony). Case studies reveal standardized service protocols for all clients and identity-agnostic professional networking—practices that institutionalize moderation as a driver of inclusive commerce. This aligns with empirical findings on diversity-driven entrepreneurial resilience, where ethical pluralism enhances market adaptability and social capital.

Chinese Muslim MSMEs epitomize the Islamic principle of *wasāṭiyyah* (平衡, balance) by harmonizing material ambitions with spiritual-social obligations. Their business models reject binary extremes—neither profit-maximizing capitalism nor unsustainable philanthropy—instead pursuing *barakah* (divine blessing) through reinvestment in community upskilling and halal supply chain partnerships. This equilibrium mitigates against profit-at-all-costs capitalism while avoiding fiscal negligence under the guise of social activism. Financial viability is thus framed as a means to advance *maqāṣid al-sharī'ah* (higher Islamic objectives), with 63% of surveyed firms allocating 15–20% of profits to mosque-led vocational programs (Islamic Economics Institute, 2024). Such praxis demonstrates how moderation transforms theological concepts into sustainable operational frameworks, fostering both economic stability and SDG 8 (Decent Work) compliance.

## CONCLUSION

This study elucidates how Chinese Muslim MSMEs operationalize religious moderation through the syncretic integration of Islamic ethics and Sino-cultural values. The cases of Abdurrahman Ong, Hartono Limin, and H. Ali Karim Oei demonstrate that moderation transcends theoretical discourse, manifesting as a business praxis harmonizing profit motives with communal welfare. Islamic principles—*al-amānah* (fiduciary trust), *al-'adl* (distributive justice), and prohibition of *ribā* (usury)—are systematically embedded in operational protocols, while Confucian virtues like *héxié* (harmony) and *xiào* (filial piety) strengthen stakeholder reciprocity. This ethico-cultural hybridity fosters resilience against market volatility while advancing SDG 8 (Decent Work) through equitable labor practices and SDG 10 (Reduced Inequalities) via cross-community solidarity networks.

While this analysis clarifies the nexus of faith, culture, and commerce in Chinese Muslim MSMEs, three interdisciplinary research trajectories merit prioritization; (1) Comparative Impact Studies: Quantifying the socioeconomic outcomes of moderation-driven MSMEs (e.g., employment retention rates, community trust indices) against peers prioritizing conventional capitalist models. (2) Supply Chain Theology: Investigating how *halal-xiào* synergies influence ethical sourcing decisions, particularly in ethnically fragmented markets. (3) Digital Moderation: Assessing AI-driven tools for scaling culturally nuanced, Sharia-compliant customer engagement strategies across ASEAN digital economies. Such inquiries would empirically validate

moderation's role as a counter-hegemonic framework against extractive capitalism while informing ASEAN's 2025 Inclusive Business Agenda.

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