

## **THE PRACTICE OF ISLAMIC ECONOMICS, SOCIAL INSTITUTIONS, AND VILLAGE SOCIAL NETWORKS IN EFFORTS TO IMPROVE THE ECONOMY OF THE MENGGALAN JAMBU VILLAGE COMMUNITY**

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### **ABSTRACT**

*This study seeks to examine the influence of Islamic economic practices, village social institutions, and social networks on economic improvement in Mengkalang Jambu Village. The research adopts a qualitative descriptive approach, involving 11 informants. The findings reveal the following: 1) The residents of Mengkalang Jambu Village engage in Islamic economic practices in their economic activities; however, these practices have not significantly contributed to economic improvement in the community. 2) Social institutions exist within the village, yet their roles have been insufficient in promoting economic growth for the residents. 3) The village community includes two main social networks, specifically the traditional community group and a local copra farmer group. Despite their presence, these social networks have not substantially enhanced economic conditions for the people of Mengkalang Jambu Village.*

**Keywords :** *Islamic economic practices, social institutions, social networks, community economic improvement*

### **PENDAHULUAN**

Islam is a rapidly growing religion in Indonesia, and this development has contributed to the emergence of Islamic economics. The concept of Islamic economics is seen as a new breakthrough that emerged as an alternative to the failure of conventional economic concepts (Mohammed, 2017). This concept emphasizes values of faith, morality, and ethics in every economic activity.

One region in Kalimantan that has started implementing the concept of Islamic economics is West Kalimantan Province. According to 2019 BPS data, West Kalimantan ranks 18th as a province with high poverty levels, particularly in rural areas, measured by income. This indicates the need to strengthen the rural economy. The village of Mengkalang Jambu in Kubu Raya Regency, West Kalimantan, has a population primarily in the productive working age, but still classified as lower-middle class. The phenomenon in this village shows that local natural resources and the local ecosystem are not yet sufficient to support overall community economic growth.

This condition indicates that the management of the economy in Mengkalang Jambu Village is not yet optimal. The village community is highly dependent on natural resources as the main source of income but has not been able to manage these resources effectively. Therefore, a concept of economic practice that supports community economic activities is needed. The concept of Islamic economics is considered suitable to maintain the economic stability of this village (Rimiyati, 2016). Islamic economic practices emphasize activities such as profit-sharing, buying and selling,

deposits, services, as well as social activities (ZISWAF: Zakat, Infaq, Sadaqah, Wakaf). In general, Islamic economic practices have advantages in applying moral and ethical values in its economic system. Various previous studies have shown that the concept of Islamic economics can have a positive impact on several sectors. For example, a study by Ali Rama (2015) showed that the indexation of Islamic economics in Indonesia had a positive impact on economic welfare. Meanwhile, a study by Mashita Joharelita (2015) found that learning the concept of Islamic economics influences consumer economic behavior. However, there are also studies that criticize the implementation of Islamic economics, such as research by Rahmawaty (2007), Sulaiman (2014), Syu'aibun (2014), and Lubis (2016), which argue that Islamic economic practices have not yet supported the development of the people's economy because they have not fully implemented Islamic principles. Research by Amir (2021) also showed that although Islamic economics focuses on morality, ethics, and fair wealth distribution, there are challenges in applying these principles in the macroeconomic framework, making it not yet fully supportive of economic improvement.

Based on this, the aim of this study is to re-examine the role of Islamic economics and social institutions in efforts to improve the economy of the community, by adding a new variable, namely social networks. The inclusion of the social network variable is in line with stewardship theory, which states that everyone has a responsibility, can be

trusted, and possesses high integrity in their actions, not only for personal interests but also for the common good. By involving social networks within the village community, it is hoped that high integrity and responsibility toward the welfare and progress of the region will be formed, thereby encouraging the improvement of the community's economy.

This study also examines the application of Islamic economic practices among the residents of Mengkalang Jambu Village, as Islamic economic practices are expected to have a positive impact on the financial stability of the villagers. Additionally, social organizations and social networks are expected to serve as a platform to facilitate community activities in forming shared goals and interests.

The survey conducted by the Social Mapping Agency under the Deputy Minister of Education, Socialization, Participation, and Partnerships (2018) found that the social institutions and social networks in Mengkalang Jambu Village have sufficient potential to be empowered in accelerating the village's economic growth.

Based on this background, the study will examine whether Islamic economic practices, social institutions, and village social networks have a positive impact on improving the economy of the residents of Mengkalang Jambu Village.

## LITERATURE REVIEW

### Literature Review and Theoretical Basis

#### Stewardship Theory

Stewardship theory has its roots in psychology and sociology (Davis & Donaldson, 1997). This theory posits that each individual has a responsibility, is trustworthy, and possesses high integrity in carrying out their duties, not only for personal interests but for the common good. The main principle of stewardship is that leaders must align their goals with the vision of the organization, rather than personal objectives. In the context of this research, the application of stewardship is seen when village leaders direct community activities according to Islamic principles, which align with the goals of Islamic economics—promoting economic activities in a manner consistent with Islamic law (muamalat) and avoiding practices such as usury (riba), uncertainty (gharar), and gambling (maysir). The application of this principle can foster compliance among the community, which in turn eliminates doubts and influences their decision to implement Islamic economics in daily life.

Moreover, stewardship theory aligns with the application of social institutions and social networks. According to this theory, each individual is responsible, trustworthy, and has high integrity in acting for the common good. With the involvement of social institutions and social networks within the village community, it is expected that integrity and high responsibility towards the well-being and

advancement of the area will emerge, thus driving the improvement of the community's economy.

#### Islamic Economic Practices

According to Maharani (2018), the principles of Islamic economics can be explained as follows:

1. **Principle of Tawhid**  
Tawhid is the core teaching of Islam. Allah, as the Creator, owns the universe and everything in it. In Islam's view, the universe and all its wealth belong to Allah. Every creation has a purpose and meaning of existence, and every activity involving natural resources and humans is seen in the context of divinity. All of our actions, including financial and business activities, are under the supervision of Allah.
2. **Principle of Justice**  
Islam views justice as a situation free from oppression or exploitation. Economic actors are prohibited from pursuing personal interests at the expense of others or harming the environment. Without justice, society will be divided, leading to oppression and exploitation.
3. **Principle of Responsibility**  
Responsibility means that every human is accountable for their actions towards God and others, especially in economic activities.
4. **Principle of Honesty and Fairness**  
Honesty is a fundamental value for Muslim entrepreneurs. They seek profit and strive to expand their services or products with honesty to consumers.
5. **Principle of Independence**  
The principle of independence in business emphasizes that all economic actors must be free from coercion or exploitation that could undermine the legitimacy of a contract.
6. **Principle of Prohibition of Riba (Usury)**  
Islam prohibits all forms of riba (usury). Allah SWT states in Surah Ar-Rum, verse 39: "And whatever you give in zakat, desiring to please Allah (those who do it), it will increase (their reward)" (QS. Ar-Rum: 39).

#### Social Institutions

According to Soerjono (2018), social institutions are a collection of norms that apply at all levels of society, focusing on the fulfillment of basic needs in communal life. Meanwhile, Polak (2020) offers a different perspective, stating that social institutions are systems that involve complex rules and various traditions to maintain important values in social life.

#### Social Networks

A social network is a social structure composed of various elements or organizations that are interconnected. This network demonstrates how individuals or organizations are linked through strong social ties, similar to familial relationships. The concept was first introduced by Professor J.A. Trained Barnes in 1954. A social network consists

of nodes (usually individuals or organizations) that are connected through one or more types of relationships, such as values, vision, ideas, friendships, and family roots (Tanoto, 2011).

**Economic Growth**

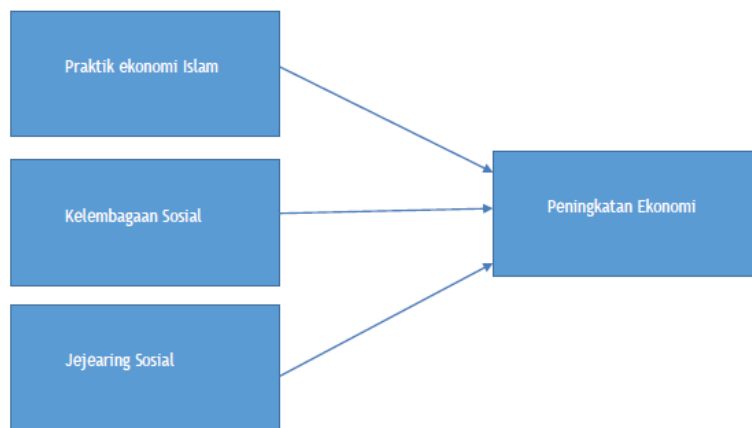
According to Prof. Simon Kuznets, economic growth is the long-term increase in a country's capacity to provide various economic goods for its population. This growth is enabled by technological advancements, institutional changes, and the adjustment of ideologies to existing conditions. Economic development has a broader meaning and

involves structural changes in the entire economic order of society.

**Village**

HAV Widjaja (2009:3) defines a village as a legal community unit with a distinctive structure based on its ancestral rights. Village governance is based on principles of diversity, participation, true autonomy, democracy, and community empowerment. Meanwhile, Paul H. Landis provides a more comprehensive definition of a village and the characteristics of the society within it.

**Theoretical Framework**



**Research Methodology**

**Type of Research**

This research is a descriptive qualitative study aimed at analyzing and systematically describing the object being studied.

**Research Location**

This study was conducted in Mengkalang Jambu Village, one of 20 villages in Kubu Raya Regency. The village covers an area of 61.58 km<sup>2</sup>, which accounts for about 5 percent of the total area of Kubu Raya Regency (1,211.60 km<sup>2</sup>). It is bordered by Olak Olak Kubu Village to the east, Dabong Village to the south, Sungai Nibung Village to the west, and Mengkalang Guntung Village to the north.

**Research Subjects and Objects**

- A. The main informants in this study are individuals with broad knowledge and important roles in Mengkalang Jambu Village, including the village head, the village secretary, the Head of the Technical Implementation Section (Kasi), and the head of the sub-district.
- B. The basic informants consist of 15 individuals involved in village governance, as well as several residents of Mengkalang Jambu Village as additional informants.

- C. Documents or records related to the issues being studied.
- D. Field notes compiled by the researcher during data collection.

**Research Variables**

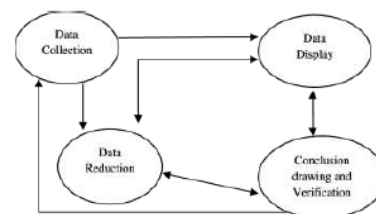
This study involves both dependent and independent variables. The dependent variable is economic stability, while the independent variables include Islamic economic practices, social institutions, and social networks.

**Data Collection Techniques**

Data is collected through various methods to gather the necessary information to solve the research problem. In the qualitative approach, the data collection techniques include participatory observation, in-depth interviews, and documentation.

**Data Analysis**

The data obtained is qualitative and consists more of textual descriptions than numerical data. Data analysis is carried out using the methods proposed by Miles and Huberman, as explained by Basrowi and Suwandi (2008:9), which include three main steps.



**Research Results and Discussion**

**Description of the Research Location**

Mengkalang Jambu Village is located in Kubu Raya Regency and was established based on Regional Regulation No. 23 of 2010 concerning the Formation of Mengkalang Jambu Village in Kubu Subdistrict. The area of Mengkalang Jambu Village is part of Seruat III Village, specifically from Karya Bhakti Hamlet. With an area of 61.58 km<sup>2</sup>, Mengkalang Jambu Village covers about 5 percent of the total area of Kubu Raya Regency, which is 1,211.60 km<sup>2</sup>.

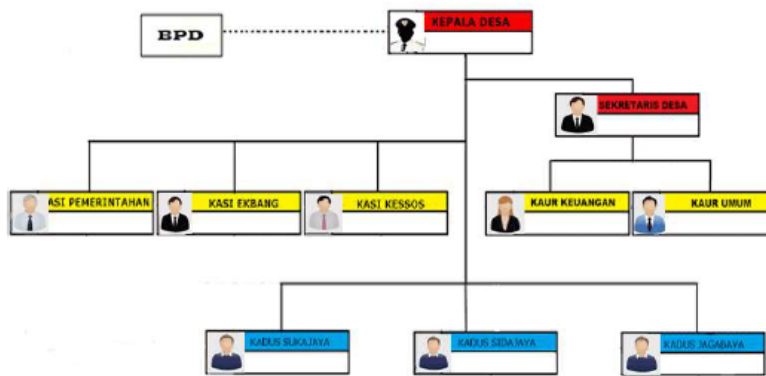
According to Regional Regulation No. 23 of 2010, Article 5, the boundaries of Mengkalang Jambu Village are as follows:

- a. To the north, it borders Mengkalang Village;
- b. To the east, it borders Pelita Jaya Village and Olak-Olak Kubu Village;
- c. To the south, it borders Dabong Village;
- d. To the west, it borders Sungai Nibung Village in Teluk Pakedai Subdistrict.

**Organizational Structure of Mengkalang Jambu Village**

The organizational structure of the village government functions as an extension of the central government. This institution plays an important role and strategy in managing the rural community to achieve the desired development goals.

Below is the organizational structure of Mengkalang Jambu Village, as shown in Figure 1.



**Description of Research Findings**

This research was conducted from October 2023 to July 2024 in Mengkalang Jambu Village. The methods used in this research included observation, interviews, and document study with the research subjects and several selected informants. The results obtained were analyzed using qualitative descriptive techniques, meaning the researcher would describe, elaborate, and interpret all collected data to provide a general and comprehensive overview.

Based on the research on the practice of Islamic economics, the influence of social institutions in the village, and the village's social networks on improving the economy of the Mengkalang Jambu community, the following data was obtained:

**1. The Influence of Islamic Economic Practices on the Economic Improvement of the Mengkalang Jambu Community**

Interviews with eleven informants showed that the program implemented by the Mengkalang Jambu Village Government is the Peat Care Village (DPG) Program from the Peat Restoration Agency (BRG). This program focuses on the development of peatland rewetting infrastructure such as canal blocks and wells, the creation of mini demonstration plots, as well as various training sessions to improve the human resources of the peatland community so they can actively participate in the restoration of the village's peatland ecosystem using village funds. In addition, Islamic economic practices such as the payment of zakat and charity have also been implemented in Mengkalang Jambu Village. Moreover, Islamic financing has been applied in this village.

Below is an image of the program implemented by Mengkalang Jambu Village.



o	Islamic Economic Practices that have been worked on	Obstacles in the Implementation of Islamic Economic Practices	Things that support Islamic Economic Practice activities	The Impact of Islamic Economic Practices on Economic Improvement
	Peat Care Village Program (DPG)	Human resources that could be more professional in peat management. There has been no support from the central government to follow up on the peat care village program.	Adequate land and natural resources	The practice of the peat care village program has not been able to improve the economy of the Mengkalang Jambu village community
	Zakat	There is a shortage of professionals who can manage zakat. The managers lack an understanding of various aspects related to zakat, such as muzak, nisab, haul, and mustahik zakat. In addition, zakat managers (amil) also need to be highly committed to carrying out their responsibilities, considering that zakat is a formal form of social worship and is regulated by certain conditions and principles.	The community already understands the importance of zakat	Zakat helps reduce social disparities in the village community, meet the needs of the people who are lacking but have not been able to improve the economic level of the Mengkalang Jambu village community
	Sedekah	Due to a lack of quality human resources, more charity activities are carried out independently, and there is no institutional obligation.	Village communities have a high sense of social concern	Alms is one of the factors that is quite significant in improving the community's economy. However, the alms activities that are not well coordinated cause these activities to have no impact on improving the economy of the

				people of Mengkalang Jambu village
	Sharia financing	<ul style="list-style-type: none"> <li>• Lack of Sharia financing facilities in the people of Mengkalang Jambu village</li> <li>• Customers need to understand the contracts that exist in Islamic banks. This can be caused by the lack of information and socialization about financing to customers and the community.</li> <li>• Lack of variety in Islamic bank financing</li> </ul>	Public enthusiasm and positive response to Sharia financing products	Sharia financing has not been able to improve the economy of the people of Mengkalang Jambu village because Sharia financing has not been running optimally

Based on the diagram above, here are some explanations obtained from the questionnaire results and field interviews:

1. Peat Care Village (DPG) Program from the Peat Restoration Agency (BRG) focuses on developing peatland rewetting infrastructure. Some members of the village community were involved in this program, such as in the construction of canals. However, the program has not been fully optimized. According to an interview with the manager of the DPG Program, some of the challenges faced include the lack of professionalism in managing human resources related to peatlands and the absence of support from the central government to continue this program. As a result, the Peat Care Village Program (DPG) has not yet successfully improved the economy of the Mengkalang Jambu community.
2. Islamic Economic Practices, such as zakat, have been implemented, and the community understands the importance of zakat. However, many residents still do not perform it consistently. Below is a quote from interviews with several informants, namely informants 1 (KD), KS1, KS2, and KS3: "Most villagers do

not have a deep understanding of the concepts and principles of Islamic economics. Although some understand, many of them find it difficult to apply it consistently. Additionally, the village community's mindset is still more focused on profit and loss aspects in economic activities." Another interview with the community, represented by informants SP1, SP2, and SL, about Islamic economic practices shows: "In general, we still do not understand the concept and regulations of Islamic economics. Islamic economic practices are also not supported by adequate facilities, such as sharia-based financial institutions in the village."

3. The Mengkalang Jambu Village community has practiced zakat and charity, although limited to the knowledge they possess. This reflects the need to expand the community's understanding of Islamic economic practices. Furthermore, another challenge is the lack of professional personnel in zakat management. Zakat administrators do not yet have a deep understanding of various aspects of zakat, such as muzaki, nisab, hawl, and mustahik. Additionally, zakat administrators need to have

- a strong commitment to carrying out their duties, as zakat is a formal social worship that must meet the requirements and conditions that have been established.
4. Charity Practices among the Mengkalang Jambu Village community have been carried out. This shows that the community has a high level of social concern. However, the management of charity has not been optimal. Interview results indicate that the lack of quality resources in managing charity has led the community to perform charity independently without support from specific institutions. Generally, charity is an important factor in improving the community's economy. However, the lack of coordination in charity activities has resulted in its impact being less significant in improving the economy of the Mengkalang Jambu Village community.
  5. In Mengkalang Jambu Village, there are already Islamic financing facilities such as Islamic cooperatives, but these facilities are not available in all areas. Currently, there are only two Islamic cooperatives in the village, indicating that Islamic financing facilities are still lacking in the community. From the interviews with village residents, it is apparent that the community is quite enthusiastic and has a positive response to Islamic financing products. However, they have limited understanding of the contracts (akad) used in Islamic banks. This may be due to the lack of information and socialization about financing to customers and the public. As a result, Islamic financing has not been able to improve the economy of the Mengkalang Jambu Village

- community because this system has not functioned optimally.
6. Other data obtained from the informants managing the Village-Owned Enterprises (Bumdes) show that Islamic economic practices have been implemented in the Mengkalang Jambu Village community, although not optimally. For example, in trade, some residents refrain from hoarding staple goods when prices are low, but there are still individuals who intentionally hoard them. The results of the questionnaire distributed to the community indicate that, on average, they have understood the concepts of zakat, riba, and mudharabah. They have also carried out zakat payments. However, there are still transactions involving riba, and in general, the community has not fully engaged in the profit-sharing system or mudharabah.

Based on the description, it can be concluded that Islamic economic practices are present in the community's economic activities, but they have not been optimally implemented, and as a result, they have not yet had a significant impact on the development or improvement of the economy in Mengkalang Jambu Village.

**1. The Influence of Social Institutions in the Village on the Economic Improvement of the Mengkalang Jambu Community**

In Mengkalang Jambu Village, there are several social institutions that are already operational. The following table illustrates the implementation of social institutions in the Mengkalang Jambu community.

Table 4.2. Social Institution Flowchart in Mengkalang Jambu Village

Social Institutions of the Community of Mengkalang Jambu Village	Obstacles in the implementation of the Social Institution of Mengkalang Jambu Village	Things that support the activities of the Social Institution of Mengkalang Jambu Village	The Impact of Social Institutions on the Economic Improvement of Mengkalang Jambu Village
Village Consultative Body (BPD)	Lack of public understanding of the role and function of BPD  Lack of human resource capacity  Inadequate work support facilities	Regular meetings to discuss important issues and formulate village policies  Discussing the draft village regulations with the Village Head	BPD plays a role in the process of preparing the APBDes to realize an accountable and participatory APBDes
Rukun Tetangga (RT), Rukun Warga (RW)	Limited resources  Lack of government support  Less effective communication	Citizen involvement in every activity	The activities carried out in RT and RW have not been able to improve the economy of the people of Mengkalang Jambu Village

Family Welfare Development (PKK)	<p>Lack of Training and Capacity of Administrators</p> <p>Lack of Support from the Government</p> <p>Difficulties in Changing People's Mindsets</p> <p>Limitations of Technology and Information</p>	Communication between administrators	The PKK runs education and health programs that have a direct impact on people's welfare, which in turn increases economic productivity.
Karang Taruna (KARTAR)	<p>Lack of Youth Participation</p> <p>Limited Funds</p> <p>Lack of Support from the Government and Private Sector</p> <p>Capacity Limitations and Management Training</p> <p>Lack of Facilities and Infrastructure</p> <p>Lack of Awareness and Understanding of the Role of KARTAR</p>	Good communication between the stewards and the community	There has been no significant impact
Village Community Empowerment Institution (LPMD)	<p>Lack of Community Participation</p> <p>Limited Resources and Funds</p> <p>Lack of Understanding of the Roles and Functions of LPMD</p>	Support from the village government	There has been no significant impact
Village Community Empowerment Cadre (LPMD)	<p>Lack of Understanding of the Roles and Functions of LPMD</p> <p>Limited Resources and Funds</p>	Good communication between the stewards and the community	There has been no significant impact
Village-Owned Enterprises (BUMDes)	<p>Limited Capital and Resources</p> <p>Lack of Capacity and Management Knowledge</p> <p>Lack of Innovation</p> <p>Limited Access to the Market</p>	There is public awareness about the benefits of BUMDes	BUMDes, creating jobs for local communities through various business activities and projects that they manage. Nsmun broadly speaking, this does not have a significant effect on economic improvement because the activities of BUMDEs in Mengkalang Jambu Village still need to be varied and on a large scale, so for decades, there has



				been no addition to the workforce.
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Based on the flowchart above, here are some explanations:

In general, the social institutions in Mengkalang Jambu Village aim to encourage, develop, and mobilize initiatives, participation, self-reliance, and the spirit of mutual cooperation within the community. Additionally, these institutions also function to improve family welfare and develop the quality of human resources.

In this study, the measurement of institutions in Mengkalang Jambu Village used seven indicators based on interviews and questionnaires with the community. The results of interviews with the village head and his staff indicated that the vision and mission of Mengkalang Jambu Village form the basis for the village government's strategy. The government has also established social institutions

with the hope of increasing community empowerment. However, until now, the role of social institutions has not been optimal in supporting the social development of Mengkalang Jambu Village.

This fact is further supported by the results of interviews with the social institution actors, namely the BumDes managers. Here is a quote from the interview with the BumDes manager as an informant in the study: "BumDes has implemented several work programs, including managing copra, managing drinking water, mineral water, and providing services in partnership with the sale of copra for the people of Mengkalang Jambu Village." Furthermore, documentation of the BumDes program in Mengkalang Jambu Village is presented.

Figure 2. BumDes Work Program (Social Institution) of Mengkalang Jambu Village



From the various work programs implemented by social institutions in Mengkalang Jambu Village, it is evident that these efforts have not successfully improved the community's economy. Furthermore, interviews with informants revealed that the programs run by social institutions have not had a significant impact on economic improvement in the village. Here is a quote from an interview with a BumDes actor:

"So far, the activities carried out by BumDes have not succeeded in supporting the improvement of the Mengkalang Jambu Village community. The Islamic economic practices that have been implemented until now have not had an impact on the development or improvement of the village's economy."

This statement is also supported by the Chairman of the Social Forestry Institution of Mengkalang Jambu Village, Mr. Arifin, who

mentioned that although some programs have been provided for the community, these programs have not yet had an impact on the village's economic growth. Based on the questionnaire results from respondents, it was found that the majority of the villagers are not actively participating in social institutional activities. The community also believes that social institutions have not been able to improve their economic standards.

Several factors are suspected to hinder the situation, including the lack of community involvement, suboptimal government support, and the absence of sustainable follow-up to the existing programs.

## 2. The Influence of Village Social Networks on the Economic Improvement of the Mengkalang Jambu Village Community

Social networks in rural areas are a form of social capital that is crucial for the sustainability of

rural communities. These networks are formed through social interactions that involve both formal and informal relationships within the community. Each individual in the rural community naturally

builds tangible social relationships, which then form social groups. These groups can be formed based on shared interests, whether in the fields of economics, politics, or culture and beliefs.

Table 4.2. Spiral Diagram of Social Networks in Mengkalang Jambu Village

o	Social Network of the Community of Mengkalang Jambu Village	Obstacles in the implementation of the Mengkalang Jambu Village Social Network	Things that support the activities of the Mengkalang Jambu Village Social Network	The Impact of Social Networks on the Economic Improvement of Mengkalang Jambu Village
	Indigenous Peoples Groups	Capital assistance Limited resources Lack of infrastructure Lack of community participation	Network and cooperate with other villages to exchange information, experiences, and resources	The Adar group has not been able to run optimally, so that it has not been able to support the economic improvement of the people of Mengkalang Jambu village
	Local Farmer Group (Kopra)	Capital Assistance Member Awareness	Local leader participation	Local Farmer Groups still lack capital assistance, so they have not been able to increase production and innovation

Based on the explanation of Social Networks in Mengkalang Jambu Village, it can be concluded that this village has social networks that include indigenous community organizations and local copra farmer groups. From the interviews with informants such as the village head, the head of the sub-village, and the community, as well as through observations, the following description was obtained:

a. Indigenous Community Groups

Indigenous community groups are formed based on certain similarities. Theoretically, these groups consist of communities that share the same ancestral history and have inhabited the indigenous territory for generations.

The roles of indigenous community groups include:

- Participating in the planning of village development and efforts to empower indigenous communities.
- Benefiting from development programs.
- Sending representatives to participate in the Village Deliberation Body (Badan Musyawarah Desa).

- Actively engaging in discussions and decision-making during village deliberations.
- Being involved in the formulation and discussion of regulations applicable within the indigenous village.

b. Local Farmer Groups (Copra)

Farmer groups consist of a group of farmers who unite due to shared goals, motives, and interests. The formation of these groups is carried out through a decree and aims to provide a means of communication among the farmers.

Local farmer groups have the following roles:

- Participating in the planning of village development and the empowerment of farming communities.
- Benefiting from development programs.
- Sending representatives to join the Village Deliberation Body (Badan Musyawarah Desa).
- Actively participating in village-level deliberations.
- Contributing to discussions regarding village regulations.

Figure 3: Indigenous Community Groups of Mengkalang Jambu Village



Figure 4: Local Copra Farmers Group of Mengkalang Jambu Village



Based on interviews and questionnaires conducted with respondents, in this case, the head of the Community Business Services (UMK), it was stated that "up to now, there has been capital assistance for the indigenous people and local farmers. However, this assistance has not been successful in achieving the goal of improving the

economy of the community in Mengkalang Jambu Village." From the findings obtained by the researcher, which are also supported by documentation during the observation process, several factors have been identified that hinder progress.



The community of Mengkalang Jambu Village faces several factors related to social networks, namely:

1. Although the copra farmers' group and indigenous communities have received capital assistance, most of them have not fully

understood how to utilize the available resources.

2. Among the members of the copra farmers' group, there is a lack of awareness regarding the duties and responsibilities assigned by the group. A similar issue occurs within the indigenous

community organization, where group members have not recognized the importance of fulfilling their roles and mandates.

- Overall, the community of Mengkalang Jambu Village has not been able to optimally utilize the existing social networks. This is due to the lack of information about the role of social networks in the village.

## CONCLUSION

Based on the analysis of the study conducted in Mengkalang Jambu Village regarding the influence of Islamic economic practices, village social institutions, and social networks on the improvement of the community's economy, the conclusions that can be drawn are as follows:

- The community of Mengkalang Jambu Village has implemented Islamic economic practices in their economic activities. However, these practices have not been sufficient to improve the village's economy. This is due to the community's mindset, which is still focused on the concept of profit and loss. Additionally, adequate facilities, such as sharia-based financial institutions, are not yet available in the village. Currently, there is only one sharia cooperative in Mengkalang Jambu Village, and it has not been optimally utilized by the community.
- There are social institutions in Mengkalang Jambu Village, one of which is BumDes. BumDes has implemented several work programs, such as copra management, drinking water management, mineral water management, and providing services in partnership for the sale of copra from the community. However, the role of this social institution has not been able to support the improvement of the community's economy. This is due to the lack of community involvement and support from the government, as well as the absence of follow-up for the sustainability of the programs.
- There are two social networks in the community of Mengkalang Jambu Village, namely the indigenous community group and the local copra farmer group. However, both have not been effective in supporting the improvement of the community's economy. The problems include the fact that most members of the copra farmers' group and the indigenous group have not fully understood how to utilize available resources, a lack of awareness in carrying out the roles and mandates of the groups, and a limited amount of information about the role of social networks in Mengkalang Jambu Village.

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