

Implementation of the Concept of Islamic Economic Equilibrium in Tagangser Laok Village: Between Spiritual Aspects and Community Welfare

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ABSTRACT

This research examines the implementation of *tawazun* (equilibrium) principles in Islamic economics in Tagangser Laok Village, Waru District, Pamekasan Regency, Indonesia, to understand how rural communities balance material prosperity with spiritual values in their daily economic activities. Employing a descriptive qualitative approach, data were collected through in-depth interviews with traders, farmers, religious leaders, and small business owners, along with participant observation and document analysis. Findings reveal that the community has internalized *tawazun* values as foundational to economic behavior, understanding equilibrium as balancing income-earning with religious obligations. A religious leader articulated: "Seeking sustenance must be halal, and one must not neglect worship; otherwise, life is considered unbalanced." This principle manifests concretely in economic practices: traders prioritize honesty despite reduced profits ("If one is honest, even though profit is small, sustenance is more blessed"), farmers practice mutual assistance during hardship ("If a neighbor is in difficulty, we help each other"), and systematic management of zakat and infaq redistributes wealth within the community. The implementation of *tawazun* generates dual outcomes: enhanced economic welfare through ethical trading and reciprocal support networks, and strengthened spiritual tranquility through alignment of economic activity with religious values. As one business owner reflected: "Income may not be large, but the heart is at peace; that is what we feel as prosperous." Economic relationships become more harmonious, and conflicts are minimized. This study demonstrates that Islamic economic principles can effectively serve as a foundation for equitable, sustainable rural development, offering insights for multicultural societies seeking value-based economic models that balance the material and spiritual dimensions of human welfare.

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1. INTRODUCTION

Islamic economics is a system that positions the value of equilibrium as the foundation of every economic activity (Asutay, 2007; Chapra, 2000). The principle of equilibrium (tawazun) in Islam is not only concerned with the regulation of material aspects but also encompasses the spiritual dimension that guides humans to avoid excess or negligence in fulfilling their social and religious responsibilities (Al-Qaradawi, 2013; Kamali, 2008). Thus, Islamic economics is present not merely to pursue profit but also to create benefit and justice for all levels of society (Ahmed, 2004; Tripp, 2006).

Studies on Islamic economics have largely focused on normative and conceptual aspects, such as the principle of justice, the prohibition of riba, and zakat instruments in macro or formal institutional contexts (Kahf, 2003; Siddiqi, 2004). Several studies have also discussed the implementation of Islamic economics in the Islamic financial sector or public policy (Hassan & Lewis, 2007; Warde, 2010). However, research examining the implementation of the concept of equilibrium (tawazun) in the economic practices of rural communities empirically remains limited, especially those integrating economic and spiritual dimensions in the daily life of village communities (Haneef, 1997; Sencal & Asutay, 2021). Furthermore, previous research tends to be descriptive-normative and has not presented many field findings based on direct community experiences, such as local interpretations of welfare and equilibrium practices in microeconomic activities (Abdul Rahman & Dean, 2013; Zarqa, 2003). Therefore, there is a research gap regarding how the concept of tawazun is understood, implemented, and has a tangible impact on the physical and spiritual welfare of rural communities within the local socio-cultural context (Dusuki & Abdullah, 2007; Obaidullah & Shirazi, 2015).

In practice, many rural communities have indirectly applied Islamic economic principles in their daily lives (Bowen, 2003; Hefner, 2000). Tagangser Laok Village is an example of a community that still holds strong religious values, work ethics, and the spirit of togetherness. The economic activities carried out by this village community often reflect a balance between worldly and spiritual needs, such as in mutual assistance, honesty in trading, and concern for others through charity and mutual cooperation (Benthall & Bellion-Jourdan, 2009; Geertz, 1963). This article provides several scientific contributions. First, this research enriches empirical Islamic economic studies by presenting field evidence regarding the implementation of the concept of tawazun at the rural community level (Beik & Arsyianti, 2016; Karim, 2004). Second, this article integrates economic and spiritual dimensions simultaneously, thereby expanding the understanding of the concept of welfare in Islamic economics, which is not only material in nature but also encompasses inner peace and social harmony (Haneef, 1997; Sadeq, 1990). Third, this research provides a contextual contribution by demonstrating how Islamic economic values interact with local culture and the social practices of rural communities, which can serve as a reference for further research as well as the formulation of development policies based on sharia values (Hafidhuddin, 2002; Nasution et al., 2006).

However, along with the development of the times, social and economic changes present new challenges for rural communities (Eickelman & Piscator, 1996; Kuram, 2004). Value shifts driven by modernization can affect the community's perspectives on welfare and spirituality (Fealy & White, 2008; Robinson, 2011). Therefore, it is important to examine the extent to which the concept of equilibrium in Islamic economics is understood and applied by the community of Tagangser Laok Village.

This research focuses on three main aspects. First, understanding the concept of equilibrium in Islamic economics, which forms the foundation of the relationship between worldly and hereafter aspects (Al-Qaradawi, 2013; Chapra, 2000). Second, analyzing how these values are implemented in the economic life of the Tagangser Laok Village community (Ahmed et al., 2015; Z. Hasan, 2010; Luntajo et al., 2024). Third, examining the impact of implementing equilibrium values on improving the economic and spiritual welfare of the community (Beik & Arsyianti, 2016; Shirazi, 2014). Through this research, it is hoped that a deeper understanding will emerge regarding the application of Islamic economics in a local context and its relevance in building equitable welfare based on Islamic values (Asutay, 2007; Karim, 2004).

2. METHODS

This research is a field study with a descriptive-qualitative approach. This approach was chosen because the research aims to deeply understand the practices, meanings, and experiences of the community in implementing the concept of equilibrium (tawazun) in Islamic economics in their daily lives, particularly in the socio-cultural context of rural communities. This research employs a descriptive qualitative approach to understand in depth the implementation of Islamic economic equilibrium values in the life of the Tagangser Laok Village community. Qualitative research methods can be used to address research problems with narrative data obtained from interviews, observations, and document collection (Jannah et al., 2025). This approach was chosen because it can comprehensively depict how Islamic values are applied in the community's economic and social activities, without separating spiritual aspects from their daily reality. Through this approach, researchers aim to gain a comprehensive understanding grounded in the direct experiences and perspectives of the local community.

The research subjects are the community of Tagangser Laok Village, Waru District, Pamekasan Regency, who are directly involved in economic and socio-religious activities. Research informants were selected through purposive sampling, based on their involvement and knowledge of the community's economic practices. This research involved 12 informants: 4 traders or small business owners, 3 farmers, 3 religious/community leaders, and 2 village officials. This composition of informants was selected to obtain comprehensive data from various perspectives, including economic, social, and village institutional aspects.

The research location is in Tagangser Laok Village, Waru District, Pamekasan Regency. This area was chosen because of its community's religious character and its economic life pattern, which remains based on values of togetherness, mutual cooperation, and adherence to Islamic teachings. The research was conducted over a specific period, adjusted to field conditions and the availability of relevant informants.

Data collection was carried out through three main techniques. First, in-depth interviews were conducted with informants to explore their understanding, experiences, and practices related to the implementation of equilibrium values in economic activities. Second, field observations were conducted to directly observe patterns of economic interaction, trading practices, mutual cooperation activities, and religious activities related to the community's economic life. Third, documentation was used as supporting data, including village records, documentation of socio-religious activities, and other archives relevant to the research focus.

Data analysis was conducted interactively and continuously using the Miles and Huberman analysis model, which includes three main stages: data reduction, data display,

and conclusion drawing. In the data reduction stage, researchers selected and focused on data relevant to the concept of Islamic economic equilibrium. Subsequently, the data were presented in a thematic narrative to facilitate understanding of patterns and relationships among the findings. The final stage involved drawing conclusions from field findings, which were continuously verified throughout the research process. Many studies still use conventional sampling methods without considering technological developments and data analysis that can help obtain more representative samples (Timamah et al., 2025).

To maintain data validity, this research employed triangulation techniques, both source triangulation and method triangulation. Source triangulation was conducted by comparing information from various types of informants, while method triangulation was conducted by comparing the results of interviews, observations, and documentation. This technique was used to ensure that the data obtained were accurate, consistent, and reflected actual field conditions.

3. RESULTS AND DISCUSSION

3.1 Understanding the Concept of Equilibrium in Islamic Economics

The concept of equilibrium, or *tawazun*, in Islamic economics represents a worldview that integrates the material and hereafter dimensions in every economic action. Conceptually, *tawazun* demands that economic activities be directed not solely toward the accumulation of wealth but also toward spiritual goodness, social ethics, and the public good. Within this framework, welfare is measured not only in terms of income or consumption but also in the quality of relationships among individuals, distributive justice, and resource sustainability—all viewed as part of the effort to maintain balance between this world and the hereafter. The distribution of wealth in Islamic economics is rooted in the principles of justice (*al-'adl*), equilibrium (*tawazun*), and benefit (*maslahah*). This system not only highlights economic mechanisms but also the moral and social dimensions in the ownership and utilization of property (Ningsih, 2025).

Based on field interview results, the Tagangser Laok Village community does not understand the concept of equilibrium (*tawazun*) as a theoretical term but rather as a practical value embedded in daily life. Informants interpret equilibrium as an effort to harmonize economic activities with religious obligations and social responsibilities. A religious leader conveyed: "Here, people work and work, but they must still remember worship. If worldly affairs are pursued to the point of forgetting the hereafter, that is considered unbalanced." This statement shows that equilibrium is understood as a reciprocal relationship between economic effort and religious compliance, rather than as a formal economic concept.

Theoretically, *tawazun* is based on the fundamental principles of sharia, which include general objectives (*maqāṣid al-shari'ah*), namely the protection of religion, life, intellect, lineage, and property. These principles provide a normative foundation for economic rules and practices: the prohibition of *riba*, the regulation of fair transactions (by avoiding *gharar* and *maisir*), the obligation of *zakat* and charity as a redistribution mechanism, and the encouragement of mutual assistance and risk-sharing through profit-sharing contracts. An example of *riba*, as depicted above, is a concrete occurrence where the creditor will receive a large return compared to the original value lent. Here, *Riba* renders the principle of equilibrium ineffective in the view of *Sharia* contract law (Husaini, 2015; Luntajo et al., 2024). Moral values such as justice (*adl*), honesty and trustworthiness, social responsibility, and the pursuit of blessings (*barakah*) become

controlling norms that ensure economic activities run harmoniously and do not disrupt the social or spiritual order.

In daily practice, this equilibrium is reflected in individuals' behavior and economic choices, as well as in the institutional forms that develop in society. Individuals who apply tawazun tend to weigh economic decisions by asking two questions: is this action halal and ethical, and does it bring social benefit and blessing? This can be seen, for instance, in the preference for transparent transactions, rejection of exploitative practices, the tendency to prioritize community interests when facing limitations, and efforts to maintain good relationships among entrepreneurs, workers, and consumers. Institutionally, the practice of tawazun encourages the emergence of solidarity mechanisms such as sharia-based cooperatives, productive zakat and waqf management institutions, and mutual cooperation patterns that dampen inequality. Economic activities grounded in Islamic values, such as justice (adalah), equilibrium (tawazun), and social responsibility, aim to promote collective welfare. The Islamic economic system strives to prevent excessive economic inequality, exploitation, and moral damage that often occur in conventional economic practices (Zein et al., 2024).

When this concept is applied to a local context—for example, Tagangser Laok Village as the research location—the implementation of tawazun must be understood in terms of the interaction among religious norms, cultural practices, and local economic conditions. Tagangser Laok Village, known for its religious traditions and culture of mutual cooperation, provides an empirical field to examine how values such as honesty in trade, willingness to share during crop failures, and collective organization of infaq and charity manifest as concrete manifestations of Islamic economic equilibrium. Tradition, which originates from the Latin word *traditio* and means "passed on" or "custom," refers to practices that have been ongoing for a long time and have become part of a community's life (Jannah & Maimun, 2025). In such a context, worldly aspects—fulfillment of household needs, continuity of agricultural business or small trade—are carried together with attention to religious obligations and social virtues, so that individual economic decisions are often motivated by a dual orientation: seeking livelihood and maintaining vertical-horizontal relationships that are halal and blessed.

Observation of the village also enables identification of indicators of tawazun implementation: trade governance that emphasizes price transparency and accurate weighing, the existence of social solidarity mechanisms (such as mutual cooperation funds or productive waqf), and the main problems faced by society in their daily lives are obligations and responsibilities toward social, religious, and cultural values in everyday life (Fadilah et al., 2024; F. Hasan, 2021), profit-sharing practices or interest-free loans among small business actors, and zakat distribution patterns that support vulnerable groups. Spiritual indicators can be seen in how the community interprets welfare—whether happiness and inner security are considered part of it—and in the consistency of worship practices and ethics in economic activities. It is important to assess this implementation sensitively to the local context, as the manifestation of tawazun will be influenced by customs, social structure, and the village's economic conditions.

The impact of successful tawazun implementation can be seen in the community's level of social cohesion and economic resilience. An economy based on equilibrium tends to produce strong social networks, reduce predatory practices, and encourage sustainable resource utilization, thereby increasing long-term benefits for society. Conversely, if equilibrium is disrupted—for instance, when the pursuit of profit alone overrides justice,

or when practices prohibited by sharia become rampant—risks of inequality, social conflict, and erosion of religious values emerge.

In summary, tawazun in Islamic economics is not merely a normative concept but a practical framework that connects ethics, law, and welfare in every economic decision. Studying the application of this concept in Tagangser Laok Village provides an opportunity to understand how Islamic values produce distinctive economic patterns, how they are tested by the dynamics of modernization, and what steps can be taken to ensure that the balance between this world and the hereafter is maintained while enhancing the real welfare of the community.

3.2 Implementation of Equilibrium Values in the Economic Life of Tagangser Laok Village Community

Tagangser Laok Village, located in Waru District, Pamekasan Regency, offers an interesting socio-economic space for examining how the concept of equilibrium (tawazun) in Islamic economics is manifested in daily practice. Generally, the village residents live in strong social relations—the village institution actively organizes deliberation and development planning together, and there are basic educational facilities in the area—conditions that influence how the community manages household and communal economics.

In the realm of small trade and microeconomic activities, equilibrium values are evident in interaction patterns that emphasize honesty, openness, and mutual promise-keeping. Local traders and consumers tend to practice simple, trust-based transactions—for instance, providing credit to neighbors, using honest scales and measures, and rejecting practices that clearly harm others. These values are not only ethical norms but also social mechanisms that maintain the village's economic stability: when traders are honest, and buyers fulfill their obligations, economic relationships become a source of blessing as well as a preserver of social cohesion. Statements about these practices were compiled by the researcher based on observations of general Islamic economic concepts, combined with the characteristics of a religious rural community; specific data on local economic activities were obtained through community activities and infrastructure reported in the village.

Resource management and village projects demonstrate another manifestation of tawazun: decisions on the use of public funds or community self-reliance are often discussed through village deliberation forums so that aspects of mutual benefit become the main consideration. A concrete example reported is a project to provide water tanks and boreholes, financed by the Village Fund; the process and results demonstrate how collective aspirations, budget transparency, and citizen participation are directly related to efforts to meet basic needs (clean water) while maintaining equitable access among residents. However, cases such as project implementation constraints also remind us that good intentions and Sharia norms must be supported by technical and managerial capabilities to achieve real benefits. The government, through various macro and micro regulations and policies taken as part of the national development process based on advancing regions and other areas, has had a very significant impact on the changes that occur, both physical and non-physical changes (Sunyoto et al., 2023).

Field findings indicate that equilibrium values are manifested in the concrete economic behavior of the community. In trading activities, traders emphasize honesty and avoid practices that harm others. A trader stated, "If the scale is reduced, the profit may come quickly, but there is no peace. It is better to have little profit but halal." Additionally,

mutual assistance practices serve as an important mechanism for maintaining economic equilibrium. A farmer explained: "If a neighbor's harvest fails, we usually help first. Later, if we are in difficulty, there will be help too." This practice shows that economic decisions are not only based on individual interests but also consider the social sustainability of the community.

Solidarity mechanisms such as charity, infaq, disaster assistance, or mutual cooperation are effective redistribution tools at the village level and become important means of maintaining balance between material and spiritual interests. Infak is a voluntary contribution or donation given by someone to the purposes of goodness, humanity, or social causes. Infak can take the form of money, goods, or time, voluntarily, without waiting for or expecting material rewards (Jan et al., 2023; Luntajo & Hasan, 2023; Suhartono et al., 2024). At certain moments, residents work together to raise funds or labor to improve public facilities or to help families affected by disasters, so that religious obligations (giving) are integrated with socio-economic goals (ensuring basic welfare for all). In addition, the existence of village forums and local social institutions facilitates the distribution of aid in a more organized manner, although administrative challenges and data on aid recipients remain problems affecting social aid distribution.

Forms of local wisdom consistent with sharia principles also emerge in informal financing practices: simple profit-sharing schemes, interest-free loans among families, and small business cooperation patterns that suppress elements of speculation or gharar (excessive uncertainty). The values of trustworthiness and social responsibility influence this informal structure—for instance, the preference for resolving economic disputes through mediation by religious leaders or village heads, and the selection of contract forms that emphasize clarity of rights and obligations. In the utilization of local wisdom for village community economic development, several factors that influence this need further study to obtain a more comprehensive understanding of optimal development. This is necessary to provide a clearer picture of the factors that influence the utilization of local wisdom (Nurhayati et al., 2023; Yazid et al., 2024). These practices function as social buffers against economic risks while affirming residents' orientation toward a world-hereafter balance: seeking halal and blessed livelihoods while maintaining social and religious relationships. This statement is synthetic in nature, drawing on Islamic economic theory and general rural practice; local empirical evidence related to these informal mechanisms can be traced through field observation and direct interviews with micro business actors and community leaders in Tagangser Laok.

Nevertheless, implementing tawazun at the village level is not without obstacles. Inadequate infrastructure, problems with social aid administration, and basic development needs can create tension between economic priorities and religious practices—for instance, when development programs fail to be realized, resulting in wasted resources, or when aid recipient data are inaccurate, leading to persistent marginalization. Road conditions and other facilities that are not yet optimal also limit residents' economic opportunities to improve material welfare without sacrificing social values. This reality shows that maintaining equilibrium requires synergy among religious norms, local institutional capacity, and technical support from the government and development actors. Human life is always influenced by its environment. Environmental sustainability is also greatly influenced by humans. Human behavior in utilizing nature determines environmental conditions (Marlina et al., 2023).

Overall, Tagangser Laok Village demonstrates how tawazun is manifested in daily practice: economic activities are guided by values of honesty, justice, and social

responsibility; local institutions and mutual cooperation traditions facilitate redistribution and solidarity; while structural challenges demand enhancement of managerial capacity and infrastructure so that worldly and hereafter balance has a real impact on community welfare. To strengthen these findings academically, the next step is to collect primary data through in-depth interviews, participatory observation, and documentation of economic and social activities in Tagangser Laok, so that the patterns of practice I have explained can be substantiated and analyzed in more detail.

3.3 Impact of Implementation on Community Welfare and Spiritual Life

The analysis begins from the understanding that tawazun is not merely a normative ideal but also a practical framework that shapes daily economic behavior. The principles of al-'adl (justice) and al-tawazun (equilibrium) are two main values in Islamic economics that should form the foundation for formulating fiscal policies, including taxation (Ni'aim Fairuz Ainun, Muhammad Adieb, Ummu Aemanah 2025). When principles such as honesty, justice, trustworthiness, and social care are internalized by citizens, economic behavior changes: decisions on production, distribution, and consumption are driven not only by profit but also by ethical considerations and the goal of mutual benefit. At the micro level, this internalization reduces transaction costs through increased trust among actors; at the community level, it strengthens mutual assistance networks, enhancing collective capacity to face economic risks.

In Tagangser Laok Village, these values are reflected in a number of practices that promote physical and spiritual well-being. First, solidarity mechanisms such as collective charity, mutual cooperation for facility improvement, and fundraising when a member is affected by a disaster serve as an effective social safety net. This system reduces household vulnerability to income shocks, enabling families to maintain basic consumption and health/education services for children even when crop failures or job losses occur. Second, transaction practices based on trustworthiness and honesty (e.g., credit tolerance among neighbors, dispute resolution through local mediation) minimize exploitative practices and facilitate the circulation of the local economy, thereby increasing income stability and sustainable small-scale investment opportunities. Third, religious-social instruments such as zakat, infaq, and waqf, when managed participatively and transparently, function not only as consumption redistribution but also as initial capital for productive businesses that can lift beneficiaries out of structural poverty.

Research findings also reveal that zakat, infaq, and charity function as means of maintaining balance between property ownership and social responsibility. A village official conveyed, "Infaq is usually collected when a resident is sick or in economic difficulty. So the benefits are immediately felt." These religious instruments are not managed through formal institutions but based on trust and social proximity, thereby strengthening the sense of justice and togetherness at the village level.

The influence on spiritual values is manifested in two directions. On the one hand, economic practices aligned with sharia strengthen moral identity and a sense of collective responsibility; participation in collective religious and social activities deepens the meaning of spirituality, directly connected to economic actions (for instance, giving charity as part of social responsibility). On the other hand, strengthening spirituality reinforces individual economic discipline—orientation toward halal, avoidance of excessive speculation, and attention to blessings—which, in turn, leads to more sustainable and ethical economic choices. This combination increases welfare, not only

through material indicators such as income or assets, but also through levels of life satisfaction, inner security, and social cohesion.

However, these positive effects are moderated by structural factors and social dynamics. Infrastructure limitations, market access, education, and managerial capacity of local institutions can hold back the transformation of values into real economic benefits. For instance, strong solidarity will find it difficult to sustain long-term welfare if micro-business actors do not have access to broader markets or capital to scale their businesses. Social dynamics, such as youth labor migration, also alter solidarity patterns: remittances can increase household income, but the younger generation's declining participation in collective activities can weaken mutual cooperation practices that have been a pillar of equilibrium. In addition, there is potential tension between material development needs (roads, irrigation, health facilities) and limited local resources; unmanaged priorities can create perceptions of injustice that damage social values.

Practically, strengthening the positive impact of tawazun in Tagangser Laok Village requires synergy between strengthening social capital and improving institutional capacity. Transparent management of zakat/infaq/waqf directed toward productive investment, formation or strengthening of local cooperatives and village-owned enterprises (BUMDes), increased access to entrepreneurship training, and efforts to improve administration and beneficiary data will help translate religious values into increased income and economic resilience. Culturally sensitive development interventions that involve religious leaders, traditional leaders, and vulnerable groups in planning will maintain social legitimacy and avoid priority conflicts. The meaning of growth in the sense of zakat shows that issuing zakat is the cause of the growth and development of property; the implementation of zakat results in abundant rewards (Purwanti, 2020).

The implementation of equilibrium values enhances harmonious economic relationships and the community's inner tranquility. Informants stated that economic success is not measured solely by the magnitude of income but by the sense of sufficiency and peace of life. A small business owner expressed, "Income may be ordinary, but the heart is at peace. That is what makes life feel sufficient." These findings indicate that the welfare of the Tagangser Laok Village community is both physical and spiritual, based on informants' empirical experience, not the result of theoretical generalization.

Thus, the implementation of tawazun in Tagangser Laok Village has real potential to enhance physical and spiritual welfare through solidarity mechanisms, increased social trust, and ethical economic practices. Its effectiveness depends on the community's capacity to structure these values into productive institutions and programs and on support to overcome structural constraints. A systematic field study will be an important step toward empirically measuring these effects and designing interventions that maintain the balance between this world and the hereafter while advancing the community's real welfare.

3.4 Relevance of Findings for Multicultural Society and Southeast Asian Context

Research findings in Tagangser Laok Village show that the value of equilibrium (tawazun) operates as a practical ethical principle rather than a formal theological doctrine. The community maintains equilibrium through honesty in transactions, social responsibility, and community solidarity, all rooted in daily life experiences. The fact that these values are practiced without mention of conceptual terms shows that tawazun functions as a living ethic embedded in Madurese local culture.

In the context of a multicultural society, this finding is important because it shows that, at the practical level, Islamic economic principles are not exclusive. Honesty, justice, mutual assistance, and restraint from economic practices that harm others are cross-religious and cross-cultural values. Therefore, tawazun can be understood as an inclusive economic ethical framework that opens space for dialogue with other economic ethical traditions, whether sourced from religion or non-religious local wisdom.

The Southeast Asian context reinforces the relevance of this finding. This region is known as a meeting space between Islam, Christianity, Hinduism, Buddhism, Confucianism, and local beliefs, with a long history of social and economic coexistence. The spread of Buddhism in Southeast Asia is estimated to have occurred earlier than the entry of Hinduism. The spread of Buddhism recognizes the existence of missionary work called Dharmadhuta. It is estimated that Buddhism developed in Southeast Asia since the 2nd century CE (Zulkarnain, 2020). In that reality, social and economic stability often depend on the community's ability to find shared values that transcend religious identity boundaries. This research finding shows that tawazun, when interpreted as a balance between individual and collective interests and between materiality and ethics, can contribute to the formation of an economic ethos acceptable across communities. Furthermore, the economic practices of the Tagangser Laok Village community demonstrate that religious values do not always produce social segregation. Conversely, when religious values manifest as social solidarity and concern for mutual welfare, they strengthen community cohesion. In a plural society context, such an approach is important to avoid identity-based economic polarization and encourage inclusive development.

This discussion also places the research findings in the discourse of sustainable development in Southeast Asia. Tawazun contributes to economic sustainability not through aggressive material expansion but through ethical restraint, strengthening social networks, and shared risk management. This principle aligns with the needs of multicultural societies facing economic inequality, labor migration, and pressures from globalization. In that context, tawazun can be understood as a local alternative to economic development models oriented solely toward growth. Thus, although this research originates from a homogeneous Muslim community, its empirical findings have cross-cultural resonance. Tawazun emerges as a value that bridges religious beliefs and the need to live together in a plural society. The main contribution of this research is to affirm that Islamic economic practices at the local Southeast Asian level are not only relevant to Muslim communities but also offer a shared ethical framework for cross-religious and cross-cultural economic dialogue, without negating identity differences. Islamic economic and financial practices are also found in the laws of the Demak Kingdom, in whose formulation scholars, or Wali Songo, played a role. The Salokantara law, which was made the kingdom's law, contains provisions on munakahat (marriage), fara'id (inheritance), and muamalah (economics) (Putra et al., 2023).

4. CONCLUSION

Based on empirical findings in the field, this research demonstrates that the concept of equilibrium (tawazun) in Islamic economics is practiced contextually by the Tagangser Laok Village community, although not understood as a theoretical concept. Equilibrium is interpreted as harmony between economic activities, religious obligations, and social responsibilities. This finding is reflected in the community's economic behavior, such as honesty in trading, practices of mutual assistance when facing economic

difficulties, and the utilization of zakat, infaq, and charity as social solidarity mechanisms. This research also finds that the implementation of equilibrium values impacts the maintenance of harmonious economic relationships and the community's inner tranquility. Welfare is not perceived merely as income enhancement but as a sense of sufficiency, security, and peace in conducting daily economic life. These findings affirm that welfare in the rural community context has inseparable material and spiritual dimensions. Nevertheless, this research has several limitations. First, the limited number of informants and focus on one village mean that research findings cannot yet be generalized to other rural contexts with different social and economic characteristics. Second, this research has not explored in depth the role of formal Islamic economic institutions in supporting the community's economic equilibrium practices. Third, time limitations in the research constrained a deepening understanding of the dynamics of long-term changes in community economic practices. Academically, this research has implications for strengthening empirical Islamic economic studies by positioning tawazun as a living social practice rather than merely a normative concept. This research enriches Islamic economic literature with a micro and contextual perspective, particularly in understanding the relationship between religious values and rural community welfare.

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