



# INCREASING HALAL AWARENESS THROUGH SPIRITUAL CAPITAL AWARENESS CASE STUDY ON TRADITIONAL MARKET TRADERS IN SURABAYA

## MENINGKATKAN KESADARAN HALAL MELALUI SPIRITUAL CAPITAL AWARENESS STUDI KASUS PEDAGANG PASAR TRADISIONAL DI SURABAYA

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### ABSTRACT

Today, news regarding unethical behavior in traditional markets is frequently reported in a variety of mass media. Some of them involve lowering the weights of trading goods, trading or combining high-quality commodities with low-quality ones, and the mystical belief of black magic. Because business players have poor spiritual capital, they are more susceptible to moral hazard, which is harmful to the transaction process and gives rise to this social problem. In order to understand the urgency of social capital in business actors in traditional marketplaces, it is fascinating to analyze this situation. Snowball sampling is used in this study's qualitative phenomenological methodology. The results of research conducted on Muslim traders in traditional markets show that spiritual capital is well understood, even though in practice it is often not realized. An understanding of good spiritual capital has a huge influence on their mindset so it also has an impact on their patterns of economic behavior in conducting trading businesses in accordance with Islamic laws and principles (halal trading).

**Keywords:** Spiritual Capital, Mindset, Behavior

### ABSTRAK

*Dewasa ini, sering terjadi pemberitaan di berbagai media masa tentang praktek kecurangan yang terjadi di pasar tradisional. Beberapa diantaranya adalah mengurangi timbangan, menukar atau mencampur barang dagangan dengan barang dengan kualitas buruk, serta praktik mistik ilmu hitam. Fenomena sosial tersebut muncul karena rendahnya modal spiritual dikalangan pelaku usaha. Sehingga, membawa mereka pada moral hazard yang merugikan serta mencederai proses transaksi. Kondisi ini sangat menarik untuk diteliti dengan tujuan untuk memahami urgensi modal social pada pelaku usaha di pasar tradisional. Penelitian ini menggunakan pendekatan kualitatif dengan metode fenomenologi melalui snowball sampling. Hasil penelitian yang dilakukan pada para pedagang Muslim di pasar tradisional menunjukkan bahwa modal spiritual telah dipahami dengan baik meskipun pada prakteknya sering tidak disadari. Pemahaman terhadap modal spiritual yang baik membawa pengaruh yang sangat besar bagi pola pikir mereka sehingga berdampak pula pada pola perilaku ekonomi mereka dalam melakukan usaha perdagangan yang sesuai dengan aturan dan prinsip Islam (perdagangan halal).*

**Kata Kunci:** Modal Spiritual, Pola Pikir, Perilaku

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## INTRODUCTION

Along with being a meeting place for sellers and buyers, the traditional market also serves as a place where people may get to know one another and form a supportive network among sellers, fellow buyers as well as sellers and buyers, or what is known as *silaturahmi* (in Islamic terminology). This circumstance created an underlying bond between them that will further solidify the bonds of brotherhood, which cannot be found in the modern marketplace as a supermarket or self-service store. However, nowadays this condition is deteriorating along with the rising number of reports in various media outlets about fraudulent practices carried out by traders in traditional markets in order to maximize profit. These practices include lowering scales, exchanging goods for subpar goods, and even using black magic. This justification is based on the fact that businesses need to discover ways to reduce costs while still making a lot of money because of economic downturns and a lack of customers.

Many people believe that being a trader or businessman is very easy; as long as you have capital, understand the manufacturing process, and are experts in marketing, the business will undoubtedly be able to run smoothly and profitably. As a result, many people who do not have knowledge in trading enter the world of trade, which causes new economic problems, and this causes traders to take various ways to make a profit without caring which ones are lawful in Islamic concept (*halal*) and unlawful (*haram*).

A Muslim trader who follows Allah Almighty and His Messenger must first acquire the principle of trade in Islam jurisprudence (*fiqh al-muamalah*) and also understand about the principle of production and marketing. "A businessman, if he does not know the law, will fall into usury, drown, and sink," remarked Ali ibn Abi Talib (*radhiyallahu'anhu*/May Allah be pleased with him). Similarly, Umar ibn al-Khattab (*radhiyallahu'anhu*/May Allah be pleased with him) declared, "Whoever does not comprehend religious problems should never shop in our market" (Sunan At Tirmidzi 1/615 number 487).

This shows that being a trader (in Islamic Concept) is not easy. Because a trader must understand the *fiqh* all at once the concept of trading in contemporary. So as not to drown in the sin of usury which will later bring a lot of ugliness to human life. Peter Senge, founder of the Society for Organisational Learning and professor at the Massachusetts Institute of Technology, in the article *Spirituality in Business and Life: Asking the Right Questions* expects that spiritual value can answer key issues, how a person can coexist with one another, how he can live in harmony with the world around him (Malloch 2010); therefore it is very interesting to see if spiritual capital is still needed by humans, especially Muslim traders in traditional markets.

## LITERATURE REVIEW

Capital is something that every individual or organization must have or own in order to achieve its objectives. Conventionally, there are three types of capital that can currently be used and calculated: material, human (intellectual), and social capital (Liu 2007; Rima 2013; Zymonik and Dobrowolska 2015). Zymonik and Dobrowolska (2015) say that there is such a great environmental change that it leads to uncertain conditions, where workers have problems planning their future, company management is in a condition where it cannot see directly the activities of its workers, and the business is managed and directed by greed. At that time, there emerged a new kind of capital that was not related to material capital, intellectual capital, and social capital, namely spiritual capital, which produces responsibility, creativity, innovation, and ethical behaviour, which are the sources of economic growth.

Woodberry (2003) states that spiritual capital is different from other types of capital that generally have material resources. According to Zohar and Marshal (2004), "spiritual capital" is a wealth that enriches all aspects of our lives. The wealth we gain by searching for ways to instil the deepest meaning, deepest value, most fundamental purpose, and highest motivation in our lives and work. Spiritual capital is the wealth with which we can live.

Spiritual capital can also be defined as the degree of mastery and attachment to a particular religious culture (Finke 2000). Such "mastery" refers to the knowledge and familiarity necessary to value a religion (Finke 2003), or it can also be a pattern of belief in a religion and its behavior that repeatedly occurs from generation to generation and between family and friends (Lannaccone and Klick 2007).



Spiritual capital is also an effect of spiritual and religious practices, beliefs, networks, and institutions that have a measurable impact on individuals, communities, and societies (O'Sullivan and Flanegan 2008).

Malloch (2010) explains that "spiritual capital" is a set of beliefs, examples, and commitments that are channeled from generation to generation through religious traditions and bind people to the source of transcendental happiness. We, as spiritual beings, perform worship and worship of Him, and through discipline as well as spiritual habits, we absorb the inheritance of spiritual knowledge embodied in religious traditions. He further explained that the result of spiritual capital is benevolence, one of the virtues that has a great influence on business, including faith. Faith shows earnestness in intention, belief in God, and loyalty to Him, so that spiritual capital is inseparable from social interactions that are equipped with an invaluable foundation, namely a relationship with God. It involves metaphysical submission to a force that stretches beyond the world in man's perception of God.

Zohar and Marshal (2004) also explain that the spiritual meaning of capital has no relation to religion or other belief systems. According to them, spirituality based on religious beliefs or values will encounter obstacles to its non-universal nature or experience limitations when dealing with different belief systems and also with those who do not have a religious belief system; therefore, a broader spiritual capital is needed for organization, society, and cultural participation in today's global and pluralist societies so that they become more profound, have meaning, values, goals, and nonexertian motivations that are sacred to all mankind.

Spiritual capital can also be defined as "spiritual intelligence" (Zohar and Marshall 2004; Wingrove and Rock 2008; Zymonik and Dobrowolska 2015). It is understandable as moral behaviour and leadership values, which are the unique ability to determine morals and choose the problems to be solved, the desired goals, and the desire to follow the rules. Aspiration, ambition, association, and pain all stem from spiritual intelligence (Zohar 1997).

## METHODOLOGY

This study aims to gain a deep understanding of human problems with social, not describe the surface part of a reality by trying to explain or uncover the meaning of concepts or phenomena of experience based on awareness that occur in several individuals so that this research uses a qualitative approach with phenomenological methods.

This research uses a qualitative method which is also called naturalistic research that views social reality as something whole, complex, dynamic, and full of meaning, namely social situations which include: (1) aspects of place (place); (2) aspects of actors, (3) aspects of activities, all three of which interact synergistically. Qualitative research aims to develop the concept of sensitivity to the problem at hand, explain the reality related to grounded theory research and develop an understanding of one or more of the phenomena faced.

Creswell (1998) defines phenomenology as a qualitative research method that attempts to explain or uncover the meaning of concepts or phenomena of experience based on consciousness that occur in some individuals. Phenomenology seeks to understand the true meaning of an experience and emphasizes the intentionality of consciousness. The purpose of phenomenology is to reveal how man experiences his life in the world.

According to Moleong (2007), phenomenology does not assume that the researcher knows the meaning of something for the people being studied. Phenomenological research tries to explain or uncover the meaning of concepts or phenomena based on the consciousness that occurs in some individuals. In order to examine the condition of natural objects (natural setting), where the researcher is the key instrument, techniques for data collection are carried out by triangulation (combined), data analysis is inductive, and the results of qualitative research emphasize more on meaning than generalizations (Sugiyono 2008).

This research intends to find the importance of spiritual capital for Muslim traders in order to answer the phenomenon that occurs so that later it can produce conclusions on how the value of spiritual capital can be developed in the future. The qualitative approach in this study emphasizes its analysis on the process of deductive and inductive inference and analysis of the dynamics of implementing spiritual capital with the phenomenon of Muslim traders observed using scientific logic.



## FINDINGS AND DISCUSSION

Paradigm or commonly known as mindset is a way of thinking that employs all of one's beliefs to influence behaviour and attitude. This belief can also be referred to as a person's faith in something so that it affects the way of thinking, communicating, and acting in his life (Holt *et al* 2012; Palmer and Wong 2013); this is the case with this study, which tries to find out the extent to which spiritual capital can influence the mindset of Muslim traders

Policy is a way of acting that is deliberately implemented to solve problems (Hecllo 1977); policy is also a series of actions that have a specific purpose that must be followed and carried out by the perpetrators to solve a problem (a purposeful course of problem or matter of concern) (Anderson 1979); and therefore, it is very important to know how the existence of spiritual capital is able to influence the mindset of each individual so that it can be seen from the action they take to solve every problem they face in the market.

The results of research conducted on thirteen Muslim traders showed what would happen if every individual Muslim in the market did not know, did not understand, or did not comprehend about spiritual capital. So that, they could not apply it in their daily lives, especially in trading in the market. Table 1 shows that when an individual or trader (2<sup>nd</sup> column; initial) does not know, does not understand, or does not comprehend the spiritual capital they have, it will make the individual no longer afraid of the Allah as The Creator (SC) so that what he does is no longer in accordance with Islam (Mu) because he will be ruled by his own passions until he will no longer be able to control himself (SY).

This inability to control himself will make him brave all things (Ha), not looking at halal and haram (SC), in order to achieve satisfaction or personal gain through dishonest means (Man), either by deceiving (IF), reducing the scales (Mar), or believing in mystic, black magic and supernatural goods or *jimat* (IF and SW); so that the longer it lasts, it will lead himself to negative actions that will eventually have an impact on the destruction in his life (UEJ and Ag), as stated by the informant in Table 1.

**Table 1. Effects of the Absence of Spiritual Capital**

No	Initial	Effect of NOT applying
1	Ha	breaking the role
2	SY	1. lack of self-control; just as long as it is, 2. uncontrollable talk, 3. arrogant, 4. negative emotion
3	An	it feels like something is missing when working
4	Su	1. poor performance, 2. stealing scales
5	Man	dishonest
6	IF	1. trade recklessly 2. deceive people 3. believe in supernatural goods
7	SW	the mystical belief of black magic
8	Mar	1. selling prohibited product 2. stealing scales
9	En	-
10	UEJ; Ag	1. life is ruined 2. has a negative impact
11	Wi	stealing scales
12	Mu	breaking Islamic role
13	SC	1. not fearing god 2. anything wrong act is justified

Source: Analysis Results (2022)



The absence of spiritual capital in life, according to informants will be able to trigger the emergence of negative values that will have a negative impact also on themselves, consumers and the society around them that not only afflicts them at that moment but also their future as shown in Table 2.

**Table 2. Effects of the Absence of Spiritual Capital according to Time**

No	Effect of NOT applying	Axial Code
1	<ol style="list-style-type: none"> <li>1. Breaking the role</li> <li>2. Life is ruined</li> <li>3. Not fearing God</li> <li>4. Anything wrong act is justified</li> </ol>	Future
2	<ol style="list-style-type: none"> <li>1. Lack of self-control, just perfunctory,</li> <li>2. Uncontrrollable Talk,</li> <li>3. Arrogant,</li> <li>4. Negative emotion</li> <li>5. It feels like something is missing when working,</li> <li>6. Poor performance,</li> <li>7. Stealing scales,</li> <li>8. Dishonesty,</li> <li>9. Trade recklessly,</li> <li>10. Deceive People,</li> <li>11. Believe in supernatural goods,</li> <li>12. The mystical belief of black magic,</li> <li>13. Selling prohibited product,</li> <li>14. Reducing scales</li> <li>15. Breaking Islamic role</li> </ol>	Nowadays

Source: Analysis Results (2022)

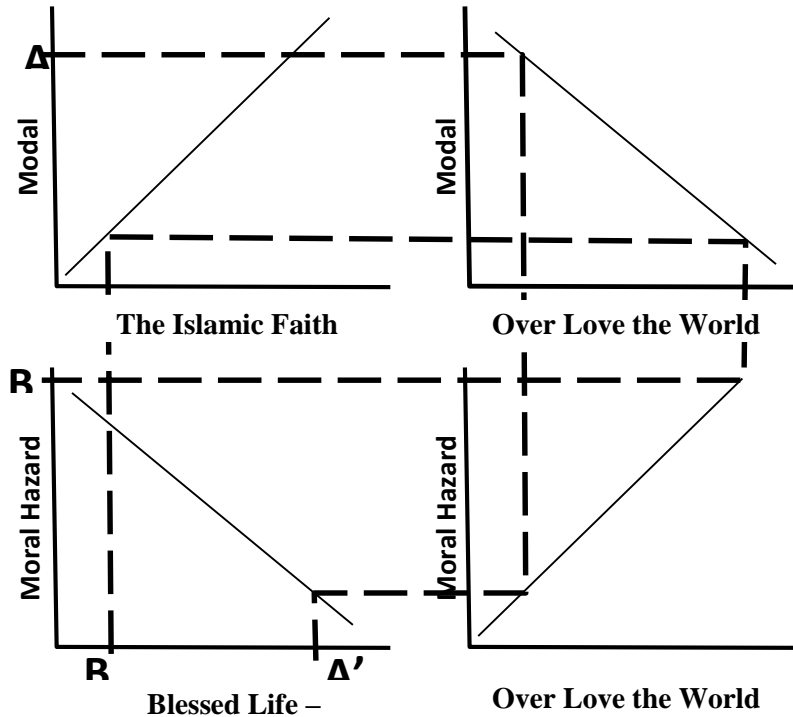
Some examples of how spiritual capital affects a situation can be given by informants Ha and SY. They used to live next to each other and be friends in a row of rental homes. From renting a home, they have advanced to owning a rental home with more than 20 rooms. Because Allah, the Supreme Creator, has blessed them as a result of his efforts to uphold honesty and his desire to help others in light of his spiritual capital. Additionally, their children will be able to attend college and earn a bachelor's degree, which is better than what their parents managed to do. Examples of the living conditions reported by the Ha and SY informants are included in the evidence of Allah Almighty's word in the Quran Surah Al A'raaf: 96 and have been exemplified by the behavior of the Messenger of Allah (*peace and blessing upon him*), who demonstrated that when one obeys Allah Almighty, then Allah Almighty always bestows blessings from heaven and earth so that the blessings of life/prosperity are attained.

Another example is the existence of spiritual capital, many traders, especially informants, voluntarily do alms either by adding the weight of the goods sold or directly giving free of charge to consumers and to other parties in need. This shows that with the existence of spiritual capital in traders, it will economically reduce transaction costs that occur, namely reducing consumption costs due to additional (almsgiving) from traders and adding benefits for consumers. The existence and absence of spiritual capital in life that has been experienced by informants as explained and shown in Table 1-2 can be described through the process of the effects of the existence and absence of said spiritual capital as figure 1.

In Figure 1, it is explained that if a person has a high spiritual capital (A), it will also show how much faith and Islam he has. The higher the spiritual capital that an individual has, the lower his love for the world, so that he will have low moral hazard as well; therefore, the joy of Allah Almighty will always be with him so that he will surely have the blessings and happiness of living in the world and the Hereafter (A). Similarly, when a person's life has "no blessings" in it (B), then in fact it shows the humility of the value of faith and Islam that he has, so it can be ascertained that the value of the spiritual capital he has is very low because his love for the world exceeds his love for Allah Almighty, and this will make



the moral hazard high in him (B) in order to want to obtain more profit by doing as stated by the informants Ha, SY, An, Ma, and Wi above.



**Figure 1. The Relationship of Spiritual Capital to a Blessed Life – Prospering**  
 Source: Analysis Results (2022)

This condition about "love for the earthly life (*hubbud dunya*)" is what ultimately shapes social inequality in society. It also leads to socioeconomic issues and encourages traders and other people to pursue different avenues for profit-making without regard for whether they are halal or haram, as evidenced by the hadith of the Prophet Muhammad (*peace and blessing upon him*): "Having told us Adam has told us Ibn Abu Dza'bi has told us Sa'id Al Maqbariy of Abu Hurairah *radliyallahu 'anhu* of the Prophet (*peace and blessing upon him*) said: "There will surely come an age in man in which at that time a person no longer cares about the treasures he gets whether from kosher goods or whether it is illegitimate" (Shahih Bukhari number 1941).

The condition of "*hubbud dunya*" causes indifference to halal and haram, which will cause Allah Almighty to no longer bestow His blessings from heaven or earth; even Allah Almighty will bring down torture on man because he no longer believes (faith) by lying to the verses of Allah Almighty that He has sent down (QS-7. Al A'raaf: 96).

The application of policies carried out by traders and market managers to solve problems in the market is a form of exploitation of the spiritual capital they already have. The outcome of spiritual capital is the output of the spiritual capital they have obtained since they have existed in the world, so that it will appear in the long term, which is not necessarily directly applicable and felt by both individuals, families, and communities; however, the impact of their actions and policies will be felt directly or indirectly by individuals, families, companies, communities, and countries in different ways.

## CONCLUSION

Problems caused by the absence or low spiritual capital owned by traders, especially in traditional markets in Surabaya, will bring a series of problems that can affect the surrounding conditions; therefore, a policy is needed that must be carried out both by the traders themselves and by the market managers. The problem that often occurs among merchants is the existence of disputes caused by the struggle of consumers, both through common things, namely price and service competition, and through things that are beyond reason, such as black magic.

If a person has a high spiritual capital, it will also show the high level of faith and Islam that he has. The higher the spiritual capital that an individual has, the lower his love for the earthly life (*hubbud dunya*). So that, he will have low moral hazard as well; therefore, the joy of Allah Almighty will always be with him so that he will surely have the blessings and happiness of living in the world and the Hereafter. Similarly, when a person has a life that has "no blessings" in it, it shows the humility of the value of faith and Islam that he has, so it can be ascertained that the value of the spiritual capital he has is very low because his love for the world exceeds his love for Allah SWT, and this will make the high moral hazard that exists in him in order to want to obtain more benefits by doing the same not commendable.

This "*hubbud dunya*" is what ultimately shapes social inequality in society. It also leads to socioeconomic issues and encourages traders and other people to pursue different avenues for financial gain without regard for whether they are permissible or not. Therefore, it is important for everyone to answer the question, "Is spiritual capital still needed for us?"

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