

Reconceptualizing Islamic Producer Behavior: Integrating Economic Rationality, Social Solidarity, and Spiritual Ethics in Micro-Enterprise Pricing

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ABSTRACT

This study examines the pricing strategies of micro-enterprises from the perspective of Islamic producers. A Systematic Literature Review (SLR) was conducted using the PRISMA framework. Initially, 348 articles were identified. Following a rigorous filtering process, 28 articles were selected for final review. The results indicate that the behavior of Islamic producers is influenced by a combination of factors, including economic rationality, moral pricing guidelines, social responsibility, and spiritual values. While most business owners calculate prices based on economic considerations, Islamic principles mandate pricing based on transparency and fairness, prohibiting practices that harm consumers. Applying Islamic principles in business is conceptualized not only as a means of earning income but also as an act of worship, drawing closer to God through trade. However, in practice, this implementation is hampered by market forces and the low managerial skills of micro-entrepreneurs. This underscores the need for greater awareness to apply Islamic principles in trade, particularly in setting fair and transparent prices.

Keywords: islamic economics; producer behavior; ethical pricing; micro enterprises; systematic literature review.

INTRODUCTION

Micro-enterprises play a crucial role in the economic development of countries with large Muslim populations. These businesses contribute to employment, financial growth, and social dimensions. In Islamic economics, producers trade not only for profit but also adhere to Islamic rules and principles that uphold transparency (Furqani et al., 2020; Sjafruddin & Zainuri, 2025). This perspective differentiates it from general economic theory, which prioritizes profit.

The dynamics of micro-businesses have changed with technological advancements, making it more difficult for them to set prices. Research shows that Muslim micro-entrepreneurs strive to trade in accordance with Islamic law (Junaedi & Prihanisetyo, 2022; Nurohman & Muafiah, 2021). However, trading in accordance with Islamic principles is hampered by market pressures and the entrepreneurs' own capabilities, resulting in inconsistent implementation.

Islamic economic theory argues that pricing is not solely based on market mechanisms but must also consider ethical values derived from the maqasid al-sharia (obligatory principles of sharia). This principle emphasizes that economic activities must maintain justice in society. From this perspective, producers not only act as profit-seeking economic actors but are also viewed as caliphs with a moral responsibility to conduct business fairly and avoid practices that harm others. Pricing strategies in Islamic economics are expected to create justice,

transparency, and mutual benefit for producers and consumers (Sjafruddin & Zainuri, 2025; Latifah & Alkhazaleh, 2025). However, numerous studies reveal that many micro-entrepreneurs still find it difficult to implement these principles regularly in their day-to-day business operations. This is impacted by a number of variables that affect how micro-businesses set their product prices.

Lack of financial expertise, erroneous production cost estimates, fierce market competition, and a lack of institutional support for moral business conduct are some of these difficulties (Abidin & Marwendi, 2025; Aldo et al., 2022). Because of this, rather than fully adhering to the Islamic principles that should be adopted, business owners frequently establish pricing just to continue in business. Even though many producers sincerely want to set fair pricing, they often lack a defined process or framework to ensure that their prices are genuinely transparent and do not disadvantage others.

Islamic ethics places a high value on fairness in business dealings. Businesses should refrain from engaging in practices that hurt others, such as price monopolies, unfair negotiations, or transactions that take advantage of the financial circumstances of less fortunate individuals (Wisandani et al., 2025). However, studies reveal that these moral precepts are not always followed in the marketplace, particularly in small and informal enterprises.

Spiritual values also play an important role in shaping how Muslim entrepreneurs manage their business activities. Principles such as pursuing halal income, maintaining a sense of accountability before God, and practicing trust in God (tawakkul) frequently guide their business conduct (Syah et al., 2025; Anami, 2024). Despite the strong emphasis on these values in Islamic economic teachings, many studies show that their integration into practical business decision-making has not yet been implemented systematically.

Previous research has generally examined these three aspects in a fragmented manner. Some studies concentrate mainly on economic considerations, while others emphasize social responsibility, and a number of studies focus specifically on spiritual values. As a result, the findings are fragmented and fail to fully describe how Islamic economic principles should be applied in business practices (Khairudin & Suryadi, 2025; Baina et al., 2025). Therefore, an approach that combines these three perspectives is needed to provide a more comprehensive understanding of how Islamic principles can be consistently applied in pricing strategies for micro-enterprises.

This integrated approach is urgently required because micro-enterprises play an increasingly important role in driving equitable and sustainable economic development. A framework that addresses economic, moral, and social values is essential for translating Islamic economic principles into daily business activities. The novelty of this research lies in its holistic synthesis, which reconceptualizes Islamic producer behavior as a multidimensional construct where economic rationality, social solidarity, and spiritual ethics are not separate choices but interdependent drivers of pricing decisions.

This issue requires attention because micro-enterprises play an increasingly important role in driving equitable and sustainable economic development. Therefore, a more comprehensive framework is needed that addresses not only economic aspects but also moral and social values so that Islamic economic principles can be applied in daily business activities.

Based on this view, this study aims to synthesize various existing studies on producer behavior from an Islamic perspective with a specific focus on pricing strategies in micro-

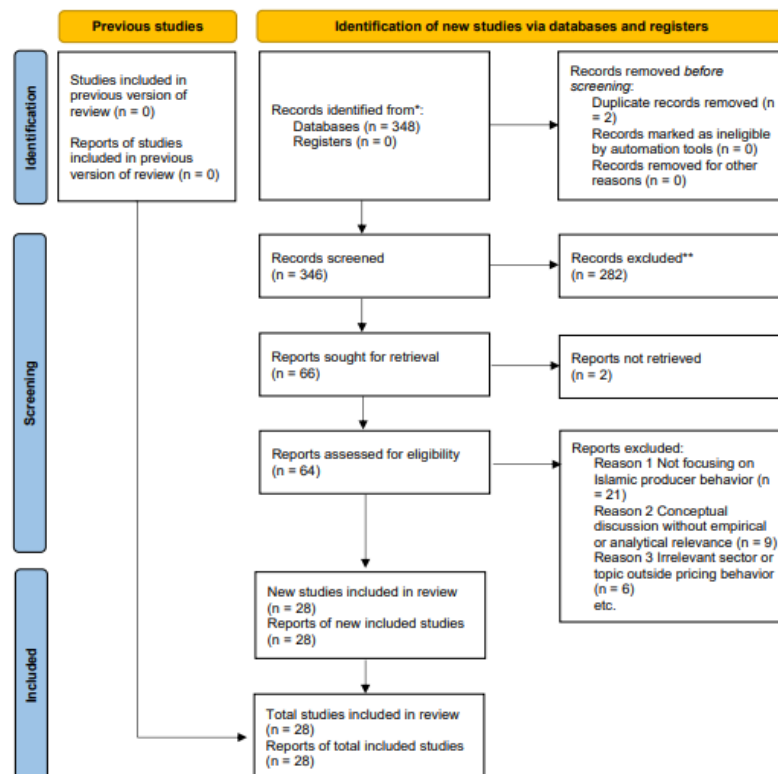
enterprises. In order to uncover important topics, theoretical models, and empirical findings pertaining to economic efficiency, social concern, and spiritual values in pricing, this study employs a methodical literature review technique. It is anticipated that the findings will offer a more thorough understanding of producer behavior in Islamic economics and serve as a useful manual for micro-businesses, legislators, and Islamic economic organizations to incorporate Islamic values into their operations.

METHOD

A systematic literature review (SLR) was used in this investigation. This approach is employed to methodically draw conclusions from a number of earlier studies addressing Islamic business ethics, ethical pricing, and Muslim entrepreneurs' financial behavior. By using this method, the study aims to gain a more comprehensive understanding of how Islamic values influence pricing decisions.

Online academic databases were used to search the literature. A total of 348 articles related to the research topic were found during the initial search procedure. The relevance of these papers to the research objective was then evaluated by reviewing their abstracts and titles. Following this screening phase, 282 articles were eliminated because they did not specifically address ethical pricing methods or Islamic producer behavior.

The remaining 66 publications were then subjected to a full-text examination to assess their methodological application and contribution to the study's objectives. At this point, 64 articles were eligible for assessment, as two papers were unavailable due to incomplete access. After further analysis, 36 items were removed because they did not adequately consider pricing strategies, Islamic business principles, or the micro-enterprise context. Ultimately, 28 papers were included in the final analysis and served as the primary sources for this systematic review. The selection process for the articles is displayed in a PRISMA diagram.



Inclusion and Exclusion Criteria

The inclusion criteria in this study include several important aspects to ensure the relevance and quality of the data sources used. The selected study is a study that discusses pricing strategies in economic activities, Islamic business ethics, or producer behavior in an Islamic perspective. In addition, the publications used must be published in the range of 2017 to 2026 and come from scientific journals, research articles, or other open-access publications. The included research must also provide conceptual, qualitative, and empirical analysis related to price selection, moral business behavior, or Islamic entrepreneurship. The focus of the research is directed at economic actors such as Muslim traders, entrepreneurs, micro business actors, and small companies that apply Islamic economic principles.

Meanwhile, exclusion criteria are used to screen out studies that do not fit the research objectives. Research that does not address Islamic economic behavior or ethical aspects in business practice is excluded from the analysis. In addition, studies that focus only on macroeconomic policies, the Islamic banking system, or financial instruments without alluding to producer behavior are also excluded. Publications that do not have complete bibliographic information or are not available in full-text form are also eliminated. Finally, articles written other than in English or Indonesian are also not included in the criteria for this study.

Data Sources and Article Search

Among the scholarly databases and indexing systems in use are: 1) Google Scholar, 2) Semantic Scholar, 3) CrossRef database, 4) Publish or Perish indexing tools. The search terms that were utilized include: 1) “Islamic producer behavior” 2) “Islamic business ethics”. 3) “pricing ethics in Islam”. 4) “micro enterprise pricing”. 5) “Islamic entrepreneurship”. 6) “ethical pricing in Islamic economics”

Boolean operators like AND and OR were used to combine search terms in order to expand the search results and find studies that are actually pertinent to the subject at hand. Additionally, the literature search was restricted to scientific publications and peer-reviewed journal articles, guaranteeing the utilization of trustworthy and superior sources. Additionally, all of these sources were chosen because they address Islamic economic practices which is consistent with the objective of the study.

Article Selection Process

1. Initial Screening

At the initial stage, articles identified through the preliminary search were screened by examining their titles and abstracts to determine their relevance to the research topic. Any studies that did not discuss Islamic producer behavior, ethical pricing, or the context of micro-enterprises were excluded during this phase.

2. Full Screening

The articles that made it past the first screening stage are examined at this stage. The study's goals, methodology, and conclusions about the price and behavior of Islamic producers were assessed. Studies that provided relevant theoretical perspectives or empirical evidence were then selected for further analysis.

3. Critical Review and Coding

Every chosen work was thoroughly assessed to ascertain its relevance, methodological clarity, and contribution to the goals of the study. These were founded on important topics in Islamic business operations, such as social responsibility, ethical pricing, economic rationalism, and spiritual values. After that, the chosen studies were coded and categorized. Through this process, the researchers were able to identify patterns and compile the results from the various studies that were part of the review.

Data Analysis

Data collected from selected articles were analyzed using a qualitative synthesis approach. This approach was applied to identify key themes related to Islamic producer behavior and pricing practices in micro and small enterprises. The main themes that frequently appear in the selected literature include: 1) Economic factors that affect pricing, including predicted earnings, market competitiveness, and production costs. 2) Islamic business ethics in pricing, which include the values of fairness, integrity, openness, and abstaining from actions that injure other people. 3) Social responsibility in corporate operations, particularly the significance of community welfare and social solidarity. 4) Spiritual principles that impact business practices, such as the pursuit of halal revenue, responsibility to God, and the objective of attaining *falah* (prosperity and success in this life and the hereafter). The chosen articles were then combined to investigate how Muslim entrepreneurs' pricing practices are influenced by economic, ethical, social, and spiritual factors.

Quality Assessment

To guarantee the caliber of the findings, each article is assessed using recognized criteria for both quantitative and qualitative research. This assessment comprises: 1) Strength of research design: Data collection techniques, sample size, and statistical analysis are used to evaluate quantitative research. Depth of analysis and data collection techniques (interviews, focus groups, etc.) are used to evaluate qualitative research. 2) Limitations of the study: Limitations mentioned in the article, including potential bias, limitations in generalizability of the findings, and the analytical techniques used are noted by the researchers.

RESULTS AND DISCUSSION

Table 1. Summary of Selected Research on Islamic Producer Behavior and Pricing Practices

No	Author	Focus of Study	Method	Key Findings
1	Furqani et al. (2020)	Ethics in Islamic economics	Conceptual study	Islamic economic behavior integrates ethics, justice, and social responsibility.
2	Junaedi & Prihanisetyo (2022)	Islamic pricing decisions	Qualitative	Pricing decisions are influenced by fairness and ethical considerations.
3	Abidin & Marwendi (2025)	Pricing ethics in SMEs	Case study	Ethical pricing is often constrained by market competition.
4	Aldo et al. (2022)	Islamic business ethics in SMEs	Field study	Ethical practices strengthen consumer trust.
5	Anami (2024)	Islamic entrepreneurial ethics	Literature review	Spiritual values influence entrepreneurial behavior.

6	Syah et al. (2025)	Financial ethics among traders	Case study	Transparency and accountability influence pricing behavior.
7	Khairudin & Suryadi (2025)	Islamic producer behavior	Conceptual	Producers must balance profit and ethical obligations.
8	Wisandani et al. (2025)	Market ethics and monopolistic pricing	Qualitative	Unfair pricing harms market justice.
9	Nurohman & Muafiah (2021)	Rationality of Muslim entrepreneurs	Qualitative	Economic rationality coexists with religious values.
10	Latifah & Alkhazaleh (2025)	Islamic economic rationality	Conceptual	Economic decisions should align with maqasid al-shariah.
11	Mardiansyah & Syafril (2024)	Legal aspects of Islamic economics	Literature review	Ethical guidelines influence business conduct.
12	Saputra et al. (2025)	Islamic financing adoption	Conceptual	Islamic financing encourages ethical entrepreneurship.
13	Belotto (2018)	Qualitative data analysis methods	Methodological	Qualitative synthesis helps identify thematic findings.
14	Bingham (2023)	Qualitative data analysis process	Methodological	Systematic coding supports research synthesis.
15	Doyle et al. (2019)	Qualitative descriptive research	Methodological	Qualitative approaches provide contextual understanding.
16	Fife & Gossner (2024)	Deductive qualitative analysis	Methodological	Theory-based coding improves analytical rigor.
17	Pratt (2025)	Qualitative methods in organizational research	Conceptual	Qualitative research explains behavioral patterns.
18	Togia & Malliari (2017)	Research methods in social sciences	Methodological	Systematic review improves research reliability.
19	Vila Henninger et al. (2022)	Abductive coding methods	Methodological	Coding helps synthesize research themes.
20	Jimenez et al. (2024)	Research processes in academia	Conceptual	Structured literature search improves research quality.
21	Baina et al. (2025)	Islamic finance and SMEs	Literature review	Islamic finance supports ethical entrepreneurship.
22	Sjafruddin & Zainuri (2025)	Islamic economic research paradigm	Conceptual	Islamic economics integrates ethics and economic systems.
23	Wisandani et al. (2025)	Market ethics in rural markets	Qualitative	Ethical pricing strengthens market fairness.
24	Syah et al. (2025)	Microfinancial management	Case study	Spiritual values influence economic behavior.
25	Latifah & Alkhazaleh (2025)	Islamic economic rationality	Conceptual	Economic actions must support social welfare.
26	Aldo et al. (2022)	Islamic business ethics	Field study	Ethical behavior enhances business sustainability.
27	Abidin & Marwendi (2025)	Islamic pricing practices	Case study	Fair pricing builds consumer trust.
28	Junaedi & Prihanisetyo (2022)	Islamic pricing strategy	Qualitative	Ethical values shape pricing decisions.

Thematic Findings from the Literature

Four key themes addressing Islamic producer behavior in price decisions were found based on the synthesis of 28 chosen studies consist of social responsibility, ethical pricing practices, economic rationality, and spiritual values impacting entrepreneurial behavior.

Economic Rationality in Pricing Decisions

Several studies have shown that economic factors, including production costs, market competitiveness, and expected profit margins, influence the pricing choices of micro and small business owners. To maintain their business continuity, entrepreneurs must adjust prices in response to market conditions. Islamic economic theory emphasizes that pricing choices must be within moral boundaries that support fairness in commercial transactions and should not harm others.

Ethical Principles in Islamic Pricing Practices

Islamic economic principles place a strong emphasize on justice (adl), integrity (sidq), and openness in commercial transactions. These rules are meant to prevent unethical practices like fraud, monopolistic pricing, and customer harm. Several studies show that Muslim business owners strive to uphold fair profit margins and transparent pricing policies to gain their customers' trust.

Social Responsibility in Business Practices

Another important finding from this analysis is the impact of social responsibility on the actions of Islamic manufacturers. Islamic economic theory emphasizes that companies should prioritize social wellbeing over profit. Producers are encouraged to avoid actions that could harm customers or other market participants through their pricing, which would impact the wider community..

Spiritual Values Influencing Entrepreneurial Behavior

The financial behavior of Muslim entrepreneurs is also influenced by their spiritual beliefs. Entrepreneurs are encouraged to conduct business responsibly through considerations of earning halal income, accountability before God, and the desire for good deeds. Many business owners view their operations as a religious obligation and inspiring them to uphold integrity and fairness in commercial transactions.

Overall Findings

Overall, the interaction between social obligations, ethical standards, economic rationality, and spiritual values shapes the behavior of Islamic producers. Islamic economic principles encourage entrepreneurs to align profit goals with moral obligations and the well-being of society in business.

CONCLUSION

This systematic literature review concludes that the pricing behavior of Islamic producers in micro-enterprises is a multidimensional phenomenon shaped by the simultaneous influence of economic rationality, ethical principles, social responsibility, and spiritual values. The key finding is that these four factors are not separate or competing motivations but are deeply interdependent, forming a holistic decision-making framework. The study reveals a persistent gap between the ideal of Islamic pricing ethics and practice, a gap primarily caused by market pressures and limited managerial skills. Reconceptualizing producer behavior through this integrated lens highlights that the challenge is not merely one of economic viability but of

cultivating a business ethos that harmonizes profit motives with spiritual accountability and social welfare.

For future research, this study suggests several avenues. First, empirical research is needed to test the proposed integrated framework using quantitative methods to measure the relative influence of each factor on pricing decisions. Second, comparative studies across different Islamic countries could explore how local cultural contexts and institutional support systems moderate the relationship between Islamic values and business practices. Third, future research should employ longitudinal designs to examine how entrepreneurs' integration of spiritual values into their business practices evolves over time as they face changing market conditions. Finally, intervention-based studies could explore the effectiveness of specific training programs designed to enhance the practical application of Islamic ethics in pricing.

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