



Integrating Sharia Economics into Global Soybean Commodity Politics: Evidence from Indonesian Food Artisans

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Article Info	Abstract
Article history: Received: September 22, 2026 Revised: September 24, 2026 Accepted: October 19, 2026	ABSTRACT Indonesia's tempeh, tofu, and menjes artisans depend heavily on imported soybean, exposing household production to global price volatility, layered intermediation, and restricted access to formal support. This study examines how commodity-chain power shapes producer decisions and evaluates the resulting distribution of risk, value, and institutional access through Sharia economic principles. The study employed Interpretive Phenomenological Analysis with twenty informants, fourteen field days in Sromo Village during January–February 2025, non-participant observation, and documentary review. Inductive thematic interpretation preceded the normative Sharia analysis. Price changes reached household workshops through a four-level, intermediary-dominated chain. Producers occupied a double price-taking position and mainly reduced product size rather than raising consumer prices. Arisan, kinship labour, deferred payment, and coordinated pricing buffered shocks but did not improve bargaining power. Menjes production reduced exposure through partial substitution of soybean with local tofu residue, while documentation requirements restricted cooperative access. Sharia economic governance should address the full commodity chain through transparent price formation, fair risk allocation, inclusive cooperative membership, collective procurement, carefully governed Sharia-compliant finance, and local input diversification. The findings distinguish compensatory resilience, which preserves production without changing power relations, from enabling resilience, which expands producer agency.
Keywords: Commodity Chain; Distributive Justice; Embedded Resilience; Global Soybean Politics; Sharia Economics	
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Introduction

Soybean-based foods occupy a strategic place in Indonesia's food system. Tempeh, tofu, and menjes provide affordable protein, sustain household enterprises, and form part of everyday culinary practice. Their economic importance extends beyond consumption because changes in soybean prices affect production continuity, household income, retail affordability, and food-security perceptions. Soybean therefore connects global trade decisions with the daily survival of local producers.

Indonesia's soybean economy contains a structural contradiction. The country is a major

consumer of tempeh and tofu, yet imported soybean dominates the raw-material market. The source data report an import dependency ratio above ninety per cent in 2023 (Badan Pusat Statistik, 2023). This dependence exposes producers to exchange-rate movements, international prices, shipping disruption, and trade-policy changes. Recent assessments also show that global logistics and financial conditions can transmit shocks rapidly across food markets (United Nations Conference on Trade and Development, 2025).

The governance of the domestic chain intensifies this vulnerability. Soybean moves from international importers to national distributors, regional agents, village traders, and household producers. Intermediaries control information, credit, delivery, and mark-ups, while artisans possess little influence over input prices. Their ability to transfer higher costs to consumers is also limited because tempeh and tofu serve price-sensitive households. Producers therefore face pressure from both upstream suppliers and downstream demand.

Food-regime analysis explains how national food systems become dependent on transnational production and trade, while global value-chain research identifies the institutions that coordinate power, standards, and price transmission across a chain (Friedmann & McMichael, 1989; Gereffi et al., 2005; McMichael, 2009). Studies of informality and community-based production show that household enterprises often rely on social relations and flexible arrangements that formal institutions fail to recognise (Chen, 2007; Phelps et al., 2025). These perspectives explain structural dependence, but they do not fully assess whether the resulting allocation of risk and value meets substantive standards of justice.

Sharia economics provides a relevant evaluative framework because it treats markets as morally governed institutions. Justice, public benefit, protection of life and property, prevention of harm, and accountable exchange extend the analysis beyond the halal status of a final product (Chapra, 2000; Dusuki & Abdullah, 2007; Kamali, 2008). Applied to the soybean chain, this framework asks whether information, bargaining power, risk, and institutional access are distributed fairly.

The choice of Sharia economics rather than conventional development economics, political economy, or food-sovereignty theory reflects a specific analytical gap. Conventional development economics evaluates efficiency and growth but does not supply an explicit normative standard for judging whether a given distribution of risk and value is fair. Political-economy and food-regime approaches explain how power is structured across a commodity chain but stop short of prescribing what a just allocation should look like. Food-sovereignty theory foregrounds producer autonomy and locally controlled food systems, yet it does not on its own provide criteria for evaluating informal risk-sharing arrangements, family labour, or finance. Sharia economics is used here because it supplies both elements at once: an account of structural power familiar from political economy, and an explicit ethical standard, grounded in *maqasid al-Sharia*, against which that power can be judged (Chapra, 2000; Islahi, 1988).

Indonesia already possesses a Sharia economic institutional infrastructure that could, in principle, support artisanal soybean producers. Baitul Maal wat Tamwil (BMT), Sharia rural banks (Bank Pembiayaan Rakyat Syariah, BPRS), and Sharia cooperatives (*koperasi syariah*) operate at the community level, while national policy is coordinated through the Masterplan Ekonomi Syariah Indonesia 2019-2024 and the Komite Nasional Ekonomi dan Keuangan Syariah (KNEKS) (Kementerian Perencanaan Pembangunan Nasional/Badan Perencanaan Pembangunan Nasional, 2018). Recent evidence nonetheless suggests that this infrastructure reaches food producers unevenly: Sharia rural bank financing for agriculture in Indonesia has so far been dominated by consumptive *murabahah* contracts rather than the productive, partnership-based *musyarakah* and *mudharabah* schemes that would build genuine risk-sharing capacity (Lestari & Mafuha, 2025), and agricultural *waqf*, another available Sharia instrument, remains fragmented by weak documentation and limited financial integration (Muizz et al., 2025). This gap between the availability of Sharia institutions and their limited reach to artisanal

producers is precisely the problem this article investigates. Whether Sromo producers or consumers perceive soybean procurement in explicitly Sharia terms is an empirical question the fieldwork was not designed to answer directly; the interview data speak mainly to moral vocabulary such as *rukun* and *serakah* rather than to formal fiqh categories, and this boundary is acknowledged as a limitation in the Discussion.

This article integrates Sharia economic ethics with global political economy to analyse the experience of small soybean-food producers in Sromo Village, Kejayan Sub-district, Pasuruan Regency, East Java. Producers rely on family labour, informal traders, narrow margins, and community relationships. Most operate without the documentation required for cooperative membership or public support. Their practices show how global commodity politics becomes embedded in local moral obligations and informal economic arrangements.

The study addresses three questions. First, how does the global soybean commodity chain shape production, pricing, and livelihood decisions among tempeh, tofu, and *menjes* producers in Sromo? Second, how do producer responses relate to Sharia principles of justice, mutual assistance, harm prevention, and public benefit? Third, which institutional reforms could reduce unequal market power without displacing the social relations that sustain production?

The article contributes empirical evidence on household-level price transmission and develops a Sharia-informed account of embedded resilience. Relational resilience research shows that trust, resource sharing, and direct market relationships can protect small food enterprises during disruption (Deroche-Leydier, 2025). This study adds a normative distinction between compensatory resilience, which absorbs shocks without changing structural power, and enabling resilience, which expands producer agency and material alternatives. The distinction also responds to calls for clearer conceptual boundaries in moral-economy research (Hajnal, 2025).

Commodity chains do not operate through neutral price signals. They reflect trade policy, corporate concentration, logistics, finance, exchange rates, and state strategies. Global value-chain analysis explains how lead actors and intermediaries coordinate standards, timing, information, and price transmission across production and distribution (Gereffi et al., 2005; Gereffi & Lee, 2012). The Sromo case does not establish a complete governance typology for the global soybean chain. It identifies an intermediary-dominated local segment in which household producers have weak price authority.

Soybean connects local food production to global production zones and transport systems. Price movements reflect harvest conditions, energy costs, currency volatility, trade disputes, and shipping routes. Food-regime scholarship places these movements within a historical system of transnational dependence (Friedmann & McMichael, 1989; McMichael, 2009). The 2025 trade assessment by the United Nations Conference on Trade and Development further shows how trade, finance, and logistics can reshape the exposure of import-dependent economies.

For Indonesia, import liberalisation increased raw-material availability but weakened incentives and institutional support for domestic production. The result is political dependence, not merely a supply imbalance. Household producers bear volatility without access to hedging, stable procurement contracts, or effective state mediation. Similar implementation gaps appear in broader Indonesian food-security policy, where national objectives do not always translate into accessible protection for small producers (Fahira et al., 2022).

Recent research reinforces this concern. Iskandar et al. (2024) identify unresolved sustainability problems in domestic soybean production. Abdullah et al. (2025) show that imported-input dependence, long distribution networks, and weak coordination reduce the benefits received by tempeh enterprises. Reis et al. (2024) demonstrate that trust, institutional arrangements, and dependence on dominant traders shape local soybean trade. Saputra et al. (2024) emphasise institutional strengthening in soybean policy, while Phelps et al. (2025) show

that community-based informal industries require support that recognises their existing social organisation.

Economic action is embedded in trust, reputation, obligation, and repeated relationships rather than governed by price calculation alone (Granovetter, 1985). Portes and Sensenbrenner (1993) identify bounded solidarity and enforceable trust as mechanisms that can support economic cooperation. In Sromo, these mechanisms appear in deferred payment, kinship labour, coordinated pricing, and long-term trader relationships. They also resemble the socially dense and risk-averse features long associated with small-scale Javanese production (Geertz, 2020).

Moral-economy theory adds an explicit concern with legitimate exchange. Scott (1979) links subsistence behaviour to minimum livelihood security, while Thompson (1971) shows that communities can enforce shared standards of fair pricing. Potamianos (2024) distinguishes a narrow moral economy focused on fairness and limits to exploitation from a broader non-accumulative orientation. The Sromo case fits the narrow formulation because producers collectively recognise limits on acceptable price increases. Hajnal (2025) nevertheless cautions that moral-economy concepts require precise boundaries, so the analysis treats these norms as empirically observed pricing constraints rather than a general cultural aversion to profit.

The interaction between upstream price dependence and downstream moral restraint produces a double price-taking position. Producers accept the soybean price transmitted by traders because they lack bargaining power. They also cannot fully transfer higher costs to consumers because demand is price-sensitive and community norms condemn abrupt increases. Product size, production volume, household spending, and unpaid family labour become the principal adjustment variables.

Sharia economics treats exchange as part of a wider moral and institutional order. Its objective is not limited to contractual validity. It also concerns justice, welfare, accountability, and protection from harm (Chapra, 2000; Dusuki & Abdullah, 2007; Kamali, 2008). Islamic finance scholarship similarly links financial design to risk sharing, transparency, and real economic activity rather than to formal compliance alone (Iqbal & Mirakhor, 2011).

Several principles are relevant to commodity-chain governance. 'Adl requires fair treatment and rejects oppression. Maslahah directs institutions toward public benefit. Hifz al-mal protects property and livelihood, while hifz al-nafs supports access to food and dignified survival. Ta'awun encourages mutual assistance. The rules against darar, gharar, ihtikar, and unjust enrichment direct attention to preventable harm, material uncertainty, hoarding, and disproportionate appropriation.

These principles provide criteria for institutional evaluation. A transaction may be formally lawful while the wider chain still concentrates information, bargaining power, and volatility in a manner that produces avoidable harm. The analysis therefore examines whether value and risk are distributed proportionately, whether institutions remain accessible, and whether consumer affordability depends on the repeated erosion of producer livelihoods.

The interviews do not establish that producers systematically used formal Islamic jurisprudential categories. Informants spoke mainly about rukun, serakah, trust, family responsibility, and continuity of work. This article therefore uses Sharia principles as a normative analytical lens. It does not attribute fiqh reasoning to participants or issue a legal ruling on individual transactions.

Embedded resilience describes the capacity of informal producers to continue operating through relational networks, material adaptation, and intergenerational knowledge. Relational embeddedness includes arisan, trust-based credit, coordinated pricing, and kinship labour. Material adaptability includes product downsizing, reduced production volume, longer fermentation, bulk purchasing, and input substitution. Temporal persistence refers to inherited skills and the commitment to maintain a family livelihood. These dimensions extend relational

approaches to food-chain resilience (Deroche-Leydier, 2025).

A Sharia-informed interpretation adds an evaluative test. Resilience is enabling when it protects livelihood, dignity, fair exchange, and producer agency. It is compensatory when it merely transfers systemic risk to households and allows powerful actors or ineffective institutions to avoid responsibility. The distinction prevents resilience from becoming a label that celebrates endurance while ignoring unequal power.

The distinction also refines Bourdieu's (1986) account of capital conversion. Sromo producers mobilise social and cultural capital to compensate for limited economic capital, but these resources rarely convert into bargaining power or formal protection. This argument does not claim that informal economies are uniquely embedded. It follows the view that all economies are embedded while political authority over economic life varies across institutional settings (Gemici, 2007; Laruffa, 2025). Social capital in Sromo functions mainly as a survival resource rather than a pathway to accumulation.

Material & Methods

The study employed Interpretive Phenomenological Analysis (IPA) because it examined how producers interpreted price changes, livelihood risk, social obligations, and institutional access. IPA recognises a double hermeneutic in which participants interpret experience and the researcher develops a second-order account of that meaning (Smith et al., 2008). The method supported close analysis of culturally specific concepts such as rukun, isin, gotong royong, and serakah.

The research was conducted in Sromo Village, Kejayan Sub-district, Pasuruan Regency, East Java. The site was selected purposively because it contains an identifiable cluster of tempeh, tofu, and menjes producers and represents a common peri-rural household production setting. The case was treated as theoretically informative rather than statistically representative, consistent with the logic of case-based inquiry (Flyvbjerg, 2006).

Twenty informants participated. Fifteen were primary informants: eight tempeh producers coded T1-T8, four tofu producers coded F1-F4, and three menjes producers coded M1-M3. Five secondary informants comprised two soybean traders, one cooperative official, one government trade officer, and one market vendor. Primary informants had operated for at least three years, relied on food production as a principal household income source, and agreed to an extended interview. Ages ranged from twenty-five to seventy-two years, and sixty per cent were female household heads or primary earners. Purposive sampling identified the initial participants, followed by snowball referrals within the producer network.

Data collection covered fourteen field days in January and February 2025, while documentary evidence covered 2024-2025. Semi-structured interviews lasted sixty to one hundred and twenty minutes and were conducted in Javanese and Bahasa Indonesia. With written consent, interviews were recorded and transcribed verbatim within forty-eight hours. The interview guide addressed procurement pathways, price shocks, production adjustment, household budgeting, social networks, cooperative access, and government support. Non-participant observation documented production routines, transactions, labour arrangements, and informal coordination. Documents included cooperative records, price circulars, market information, regional reports, and national soybean statistics.

Analysis followed the main stages of IPA: repeated reading, semantic and linguistic noting, development of emergent themes, within-case analysis, cross-case comparison, and identification of convergent and divergent patterns (Smith et al., 2008). NVivo 14 supported data organisation. Theoretical concepts from global value-chain governance, embeddedness, moral economy, Polanyi, and Sharia economics served as sensitising devices rather than predetermined codes. By the fourteenth primary interview, subsequent material confirmed the

established thematic structure without adding a substantively different pattern. This claim concerns analytical sufficiency within the case and does not imply statistical saturation.

Trustworthiness was supported through triangulation of interviews, observation, and documents; peer debriefing with two qualitative researchers; member checking with six key informants; and a reflexive journal, following established criteria for qualitative credibility and dependability (Lincoln & Guba, 1985). The research team approached Sromo as university-based outsiders with familiarity with East Javanese social life but no prior personal connection to the community. Key Javanese terms were retained in the analysis to reduce conceptual loss. Ethical approval was obtained before fieldwork, all participants gave written informed consent, and pseudonyms protected identity.

The empirical themes were established before the Sharia interpretation. The analysis first identified the mechanisms described by participants and then evaluated them against justice, public benefit, livelihood protection, mutual assistance, transparency, and prevention of harm. This sequence reduced the risk of forcing religious categories onto the interviews.

Results and Discussion

Production Structure and the Razor-Thin Margin

Tempeh producers used ten to thirty-five kilograms of soybean per day and operated five to six days each week. A common slab measured about twenty by ten centimetres, weighed 200-250 grams, and sold for IDR 2,000-3,000. At a median input of twenty kilograms, producers reported output of approximately eighty to one hundred and thirty-five units. The mechanical revenue range generated by the stated output and price extrema is IDR 160,000-405,000 per day. Total reported input costs were approximately IDR 241,000-253,000. The lower revenue combinations could therefore fall below daily input cost, illustrating the instability of the margin rather than a uniformly positive return.

Tofu producers used twenty-five to sixty kilograms of soybean per day and sold a board of about forty pieces for IDR 55,000-65,000. Menjes producers used smaller quantities of soybean because they substituted part of the input with ampas tahu, a local tofu residue priced at IDR 1,500-2,000 per kilogram. This substitution reduced direct exposure to soybean volatility. Self-reported monthly net household income ranged from roughly IDR 200,000 to IDR 500,000. These figures were recall-based and were not derived from audited accounts.

These figures also invite direct evaluation against Sharia standards of legitimate exchange rather than description alone. Ribh, a lawful profit, presupposes that a return corresponds to genuine effort, risk, and value added; the recorded scenarios in which daily revenue could fall below input cost indicate that some transactions verge on ghabn fahish (severe, unjustified loss) for the producer rather than a stable ribh. The imbalance does not originate in a single dishonest transaction but in the cumulative structure of a four-level intermediary chain that leaves producers price takers on both the input and output sides; Sharia scholarship on market regulation similarly treats a persistent, structurally induced gap between contribution and return as a form of darar (harm) that public authority has a duty to remedy, even where no individual party acts in bad faith (Islahi, 1988). The monthly net incomes reported in Table 1, roughly IDR 200,000 to 500,000 per household, can also be read against kafaf and hadd al-kifayah, the Sharia notions of sufficiency and a minimum threshold for a dignified livelihood. Measured against Indonesia's own regional poverty lines, several of the reported ranges sit close to or below subsistence, suggesting that the margin is not simply thin but, for some households in some months, insufficient to meet kafaf. This comparison is indicative rather than exact because the figures are self-reported and were not benchmarked against official poverty-line data at the time of fieldwork, a limitation noted in the Research Limitations section.

Table 1. Field-reported production economics by producer type, Sromo Village, 2024-2025

Producer type	Daily soybean input (kg)	Soybean cost/day (IDR)	Total input cost/day (IDR)	Gross revenue/day (IDR)	Monthly net income (IDR)
Tempeh, median scale	20	218,000-240,000	241,000-253,000	160,000-405,000*	200,000-400,000
Tempeh, large scale	35	381,500-420,000	413,000-435,000	420,000-675,000	250,000-400,000
Tofu, white	40	436,000-480,000	475,000-510,000	480,000-540,000	200,000-350,000
Tofu, fried	50	545,000-600,000	600,000-650,000	640,000-720,000	300,000-450,000
Menjes, partial substitution	5-15 (partial)	55,000-163,000	120,000-210,000	160,000-270,000	280,000-500,000

Note: The median-scale tempeh revenue range was recalculated from the reported extrema of 80-135 units and IDR 2,000-3,000 per unit. The extrema may not occur together in daily practice. Income values are self-reported. Source: primary field data, Sromo Village, January-February 2025.

Product Downsizing as Moral and Economic Adjustment

The most consistent response to soybean price increases was product downsizing rather than a direct increase in retail price. Producers reduced dimensions or input per unit while maintaining the nominal price. T1 explained, "if I raise the price, customers will buy less. If I make the tempeh smaller, they still buy. I lose a little margin but I keep my customers." This decision combined commercial calculation with concern for consumer purchasing power.

The moral dimension became explicit in T5's statement: "tempeh is poor people's food. If we make it expensive, people will eat less and think we are greedy [serakah]." Serakah carries a social meaning that extends beyond individual greed. It signals a breach of rukun and invites community judgement. Producers therefore treat price restraint as an obligation to maintain social acceptance and access to affordable food.

From a moral-economy perspective, product downsizing reflects a locally enforced standard of legitimate exchange. Producers coordinate price changes because unilateral increases can damage trust and market position. From a Sharia perspective, concern for low-income consumers aligns with justice, compassion, and protection of basic needs. Qur'an 59:7 provides a general distributive orientation against the concentration of wealth, while Qur'an 4:29 prohibits unjust appropriation. These verses are used here as normative principles, not as direct legal rulings on the observed transactions.

Price restraint cannot be praised without examining its distributional cost. Product downsizing transfers volatility into smaller portions, thinner margins, and greater household labour. When repeated, the practice threatens hifz al-mal by eroding productive assets and livelihood stability. Justice requires a balance between consumer affordability and producer viability. In the present chain, affordability is partly maintained by the weakest actor absorbing a disproportionate share of the shock.

This finding supports the distinction between enabling and compensatory resilience. Downsizing enables continuity in the immediate period, but it does not improve procurement power or reduce exposure to imported prices. It is therefore mainly compensatory. The practice prevents exit while reproducing the structure that causes vulnerability.

The Four-Level Intermediary Chain and Unequal Price Authority

All fifteen primary producers obtained soybean through local intermediaries rather than cooperatives or government channels. The observed chain contained four levels between the global market and household workshops: international importers, national distributors, regional agents or pengepul, and village-level mobile traders. Producers and traders estimated that each level added approximately IDR 200-500 per kilogram. These figures represent participant estimates, not audited margins. Imported soybean reached Sromo at IDR 10,900-12,000 per kilogram during 2024-2025.

The chain transmitted global price movements rapidly. T2 reported, "last month the price went up three times in one week. Nobody told us in advance. The agent just came with a

different price." The statement reveals both volatility and information asymmetry. Producers received the new price at the point of purchase and had no mechanism to verify the reason, timing, or size of the increase. They could accept, reduce production, or stop temporarily.

Producers continued using traders because traders offered practical services. T3 stated, "the cooperative requires a lot of documentation. We need an NIB, lots of papers. The agent comes to our house, we can pay weekly, and we can trust him. The price may be a bit higher but it's simpler." Informality therefore provided delivery, relationship-based credit, and low administrative cost. The higher price purchased access and flexibility that formal institutions failed to provide.

Imported soybean also offered production qualities preferred by tempeh makers. T6 explained, "local soybeans sometimes don't expand well when soaked. The tempeh doesn't bind tightly. Customers complain. So we keep using imported ones even though they're more expensive." All eight tempeh informants rejected cheaper domestic soybean on quality grounds. This preference shows that import dependence cannot be reduced through production targets alone. Domestic soybean must meet functional requirements related to size, expansion, binding, consistency, and consumer acceptance.

Global value-chain analysis helps explain this concentration of coordination and information (Gereffi et al., 2005). The evidence supports the description of an intermediary-dominated local chain segment, but it does not establish the governance structure of the entire global soybean industry. Sharia analysis identifies a related justice problem: producers carry operational risk while holding little information or bargaining authority. This imbalance does not prove unlawful conduct by individual traders. It shows that the institutional arrangement permits unequal exposure to volatility and weakens meaningful consent.

The case raises normative concerns related to gharar and darar because producers face sudden price changes without transparent information about cost formation. The article does not classify the transactions as legally invalid. It uses these doctrines to evaluate transparency, predictability, and preventable harm at the institutional level. Clearer price information, standard contract terms, accessible grievance mechanisms, and fairer risk distribution would improve governance.

Double Price-Taking and Distributive Injustice

Sromo producers occupy a double price-taking position. Upstream, they accept the price transmitted by traders. Downstream, they cannot fully transfer costs to consumers because demand is highly price-sensitive and because social norms condemn sharp increases. The producer therefore lacks price authority in both directions. This differs from the standard price-taking concept, which usually refers only to a firm's inability to influence the market price of its output.

The double position explains why economic value and risk move in opposite directions. Value accumulates through multiple trading margins, while risk is concentrated at the household workshop. Producers must decide whether to shrink products, reduce volume, extend fermentation, use family labour, delay household spending, or suspend production. These are not minor operational choices. They determine household food, education, health spending, and debt.

Sharia distributive justice requires attention to outcomes as well as formal transactions. The relevant question is whether each actor receives a proportionate return for contribution and bears a proportionate share of risk. Sromo producers provide labour, fermentation knowledge, quality control, and direct market responsibility, yet their margins remain small and unstable. Their cultural and social capital contributes value to tempeh as an Indonesian food but does not translate into greater economic security.

This pattern illustrates inverted capital convertibility. Cultural skill and community trust keep production alive but do not convert into ownership, bargaining power, or formal

protection. Sharia integration exposes the normative problem: social virtue compensates for institutional neglect. The chain benefits from producer patience, family labour, and moral restraint without creating equivalent mechanisms for wealth protection or risk sharing.

Informal Cooperation as Ta'awun and Its Limits

In the absence of accessible formal support, producers rely on dense informal networks. Arisan provides emergency liquidity during price spikes. Kinship labour reduces cash costs. Traders allow weekly payment. Producers coordinate price changes to prevent unilateral disadvantage. These practices express bounded solidarity, enforceable trust, and mutual assistance.

The principle of ta'awun provides a Sharia interpretation of these practices. Community members cooperate to maintain production and prevent immediate loss. The mechanisms are locally legitimate, responsive, and administratively simple. They also explain why producers prefer relationship-based arrangements to formal institutions that require documents, travel, fees, and unfamiliar procedures.

Informal ta'awun nevertheless has limited economic capacity. Arisan can provide short-term cash but cannot secure large-volume procurement or stabilise prices for a prolonged period. Kinship labour lowers costs but can conceal unpaid work, especially among women. Collective pricing protects relationships but does not improve the group's position against importers or distributors. Deferred payment helps cash flow but can deepen dependence on a single trader.

Solidarity should not substitute for institutional justice. Cooperative research shows that durable organisations work best when formal governance develops from existing relations of self-help and solidarity rather than ignoring them (Birchall, 2003; Borzaga, 2003). Public authorities, cooperatives, Islamic financial institutions, and market actors therefore retain responsibilities that households cannot absorb indefinitely. Formal support should strengthen local networks while adding procurement scale, accounting safeguards, and bargaining capacity.

Menjes, Circular Production, and Material Maslahah

Menjes production generated the strongest evidence of material adaptation. Producers substituted part of imported soybean with ampas tahu. M2 explained, "when soybean is expensive, I use more ampas. The taste is a little different but people still eat it. It's cheaper and I can manage." This practice reduced input cost, used a local by-product, and weakened the direct link between global soybean prices and household production.

Menjes producers reported monthly net incomes of IDR 280,000-500,000 and lower anxiety about soybean volatility than tempeh and tofu producers. The practice therefore provided both economic and subjective benefits. It also created a circular relationship between tofu and menjes production because a residue from one process became an input for another.

From a Sharia perspective, this adaptation advances maslahah by protecting livelihood, reducing waste, using local resources, and limiting exposure to harmful volatility. It also aligns with the prevention of israf because a production residue returns to productive use. The practice does not eliminate soybean dependence, but it diversifies the input base and increases local control (Azhar & Abozaid, 2026).

Replication requires caution. Product quality, food safety, consumer acceptance, standardisation, and the supply of ampas tahu require systematic assessment. Research on traditional fermented foods shows that small producers often face process-control and safety challenges when scaling or modifying inputs (Hawaz et al., 2025; Yee et al., 2025). Menjes therefore provides evidence for locally grounded diversification, not a universal substitute for tempeh or tofu.

Table 2. Informant profile summary by product type

Product	Informants	Age range (years)	Daily soybean input (kg)	Monthly net income (IDR)
Tempeh	8 (T1-T8)	29-65	10-35	180,000-400,000
Tofu	4 (F1-F4)	33-72	25-60	200,000-450,000
Menjes	3 (M1-M3)	25-58	5-15 (partial)	280,000-500,000

Source: primary field data, Sromo Village, 2024-2025.

Cooperative Exclusion and the Incomplete Counter-Movement

Formal cooperative and subsidy channels reached only a small share of household producers. NIB requirements, documentation, and enterprise procedures excluded producers who operated from homes, used family labour, and maintained limited records. This mismatch reflects a wider tension between formal regulation and informal economic life (Chen, 2007). The exclusion was structural because eligibility rules assumed capacities that many intended beneficiaries did not possess.

Polanyi's double-movement framework explains the result. Global market integration exposes producers to prices formed beyond community control, while society responds through arisan, shared labour, coordinated pricing, and continued production (Polanyi et al., 2010). This counter-movement remains incomplete because it lacks state mediation, legal authority, capital, and procurement scale (Fraser, 2013). The case also supports the argument that the key issue is not whether an economy is embedded, but who controls economic power within its institutions (Gemici, 2007; Laruffa, 2025).

Budirahayu (2020) identifies a wider East Javanese pattern in which formal cooperatives remain poorly connected to the daily practices of small producers and traders. The Sromo case specifies the mechanism: documentation rules intended to ensure accountability become entry barriers when they are not matched with assisted registration, community verification, simplified records, and transitional membership. Cooperative design should therefore build formal capacity from existing solidarity rather than require full formalisation before participation (Borzaga, 2003).

From a Sharia governance perspective, institutional design should be judged by accessibility and effect. A programme cannot fulfil *maslahah* when its formal rules systematically exclude those who face the greatest harm. Equal rules do not always produce substantive equality. Justice may require differentiated procedures that recognise informal production while preserving accountability.

A Sharia-Oriented Institutional Model

The evidence supports an institutional model that integrates existing community relations with formal protection. The first component is community-verified membership. Producer status could be confirmed through village authorities, neighbourhood units, producer groups, and transaction records rather than NIB ownership alone. Formalisation could become a supported outcome of membership instead of a precondition for access.

The second component is collective procurement. A producer-owned cooperative at sub-district level could purchase soybean in larger volumes, publish transparent price components, negotiate delivery schedules, and reduce layered margins. Governance should be built through existing arisan and producer networks because these relationships already contain trust and enforcement mechanisms. Professional accounting and external supervision would still be necessary to prevent elite capture (Massolihi & Khareng, 2026).

The third component is carefully governed Sharia-compliant working capital. *Qard hasan* may address short-term emergency liquidity. *Murabahah* may finance transparent input purchase when cost and mark-up are disclosed. *Salam* may support forward purchase under clearly specified quantity, quality, price, and delivery terms, while *musharakah* may support

genuine risk sharing. These instruments require legal, financial, and operational feasibility testing (Iqbal & Mirakhor, 2011). Productive zakat should be restricted to eligible asnaf, and cash-waqf support should follow applicable governance and fiduciary requirements. Islamic social finance should supplement, not replace, market reform and state responsibility.

The fourth component is risk and information governance. Cooperatives and public agencies should provide regular price information, import-cost components, quality standards, and early warning of supply disruption. Simple digital tools can improve transparency, but they should not replace face-to-face assistance. Many producers need practical support with records, licensing, food safety, and financial planning (Khuluqi & Saadah, 2026).

The fifth component is domestic input development and circular production. Policy should support soybean varieties that meet artisan processing requirements, not only yield targets. Research must include soaking expansion, binding quality, fermentation consistency, taste, shelf life, and food safety. Sustainable soybean policy requires stronger institutions and closer coordination between producers, researchers, and public agencies (Saputra et al., 2024). Process-control research can also support safe by-product utilisation and small-enterprise innovation (Hawaz et al., 2025; Yee et al., 2025).

These measures align economic efficiency with maqasid al-Sharia. They protect livelihood and food access, reduce harmful uncertainty, distribute risk more fairly, and strengthen community agency. They also move Sharia economics from end-product certification toward the governance of production, exchange, finance, and distribution.

Table 3. Sharia evaluation of key soybean-chain findings

Empirical finding	Sharia principle	Normative assessment	Institutional response
Rapid, opaque price transmission through layered intermediaries	Justice, transparency, prevention of gharar and darar	Producers lack information and meaningful price authority	Transparent price reporting, collective procurement, standard contracts
Product downsizing to maintain consumer affordability	Maslahah, hifz al-nafs, hifz al-mal	Protects consumers but shifts repeated losses to producers	Targeted input support and shared-risk financing
Arisan, kinship labour, deferred payment, coordinated pricing	Ta'awun and social solidarity	Strong local protection but limited scale and possible hidden labour burdens	Community-based cooperative design with professional safeguards
NIB-based exclusion from cooperative and subsidy access	Substantive justice and inclusive public benefit	Uniform rules create unequal access	Community verification and assisted formalisation
Use of ampas tahu in menjes production	Maslahah, prevention of waste, livelihood protection	Reduces import exposure and supports circular production	Food-safety research, quality standards, local innovation support

Source: authors' analysis based on primary field data and the Sharia framework used in this

study.

The study shows how global commodity politics becomes visible in ordinary production decisions. Making tempeh smaller is not a minor response to inflation. It records upstream price power, weak institutional protection, a moral obligation to maintain affordable food, and household dependence on continued production. Micro-level practices therefore provide evidence of macro-level governance.

Integrating Sharia economics changes the analytical question. Conventional resilience research asks how producers survive. Sharia analysis also asks who bears risk, whether survival preserves dignity, whether exchange produces avoidable harm, and whether institutions deliver substantive justice. This prevents resilience from becoming a language that celebrates adaptation while ignoring power.

Sharia-informed embedded resilience captures this dual focus. Social embeddedness can sustain production through trust and obligation, but a normative assessment must determine whether those relations expand agency or merely compensate for policy failure. This contribution extends relational resilience research (Deroche-Leydier, 2025) while maintaining the conceptual discipline requested in recent moral-economy scholarship (Hajnal, 2025).

The findings also broaden the scope of Sharia economic policy. Halal certification remains important, but it does not address import dependence, bargaining power, input finance, price transparency, or cooperative exclusion. Justice concerns the full chain: how inputs are purchased, labour is mobilised, risk is allocated, products are priced, and value is distributed.

For cooperative policy, the evidence supports an inclusion-first approach. Documentation should develop through supported participation rather than operate solely as a precondition. Existing producer networks can provide the social basis for membership, monitoring, and repayment, while professional accounting and external supervision protect accountability (Birchall, 2003; Borzaga, 2003).

For food-sovereignty policy, domestic production targets should respond to processor needs. Artisans will not adopt local soybean simply because it is cheaper. Size, hydration, binding, consistency, and consumer acceptance determine fermentation outcomes. Agricultural research, seed policy, post-harvest management, and producer feedback must therefore be integrated (Iskandar et al., 2024; Saputra et al., 2024).

For Islamic social finance, the study identifies a role more precise than general poverty assistance. Eligible zakat, waqf, and qard hasan programmes may support registration, common equipment, working capital, training, and storage. These instruments should complement market reform and public responsibility. They cannot correct a commodity-chain problem while concentration and information asymmetry remain unchanged.

The study is idiographic and focuses on one village, so it cannot support statistical generalisation. Income figures rely partly on participant recall, the tabled production ranges require verification against raw records, and translation across Javanese, Bahasa Indonesia, and English may not preserve every moral nuance. The research did not measure importer concentration, audited trader margins, gendered labour time, or the financial feasibility of the proposed Sharia instruments. Future studies should compare multiple production centres, follow households through prolonged price shocks, map margins across the full chain, examine women's unpaid labour, and test community-based cooperative and Islamic-finance pilots.

Conclusions

This article analysed global soybean commodity politics through the experience of tempeh, tofu, and menjes producers in Sromo Village, Pasuruan Regency. Imported soybean dependence was transmitted through a four-level intermediary chain that gave household producers little control over input prices, information, or delivery conditions. Producers also faced economic and moral limits on transferring higher costs to consumers. They therefore

occupied a double price-taking position.

The dominant response was product downsizing. Producers kept nominal prices stable to protect demand and avoid the stigma of serakah, while absorbing shocks through smaller products, lower margins, family labour, and reduced household income. Arisan, kinship, deferred payment, and coordinated pricing sustained production, but these networks lacked the scale and authority needed to alter the chain.

Menjes production provided a more enabling form of resilience because partial substitution with ampas tahu reduced exposure to imported soybean and supported circular material use. The finding shows that resilience improves when producers gain material alternatives rather than merely enduring shocks through social sacrifice.

The Sharia economic assessment identifies distributive justice as the central issue. Sharia principles require more than lawful individual transactions. They require livelihood protection, prevention of harm, fair risk allocation, transparent exchange, accessible institutions, and public benefit. A chain that protects consumer affordability by repeatedly transferring losses to the weakest producer does not meet this substantive standard.

Community-verified cooperative membership, collective procurement, transparent pricing, assisted formalisation, carefully governed Sharia-compliant finance, domestic soybean quality development, and local input diversification provide a coherent reform agenda. These measures would convert existing solidarity into bargaining capacity and reduce dependence on layered intermediaries.

The article's main contribution lies in connecting household experience, global commodity politics, and Sharia justice within one analytical framework. The daily decision to reduce tempeh size rather than raise its price reveals how global market power, local morality, and institutional exclusion interact. Effective soybean policy must protect consumers without making household producers the residual bearers of systemic risk.

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Author Contribution Statement

DM conceptualized the study, designed the methodology, conducted the investigation, analyzed the data, drafted and reviewed the manuscript, and approved the final version. ANF, LH, AF, and FAH contributed to the investigation, data collection, and critical review of the manuscript. All authors wrote, read, and approved the final manuscript.

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The authors used OpenAI ChatGPT for manuscript restructuring, language editing, and document formatting. The authors reviewed the revised text, checked it against the available field data and source documents, and accept full responsibility for the accuracy, interpretation, and final content of the publication.

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