

Household Income Management Among Urbanized Communities in Jayapura City: A Study in Islamic Microeconomics

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Abstract

This study explores the management of household income among urbanized communities in Jayapura City through the lens of Islamic microeconomics. The research focuses on how families who have migrated from rural or highland areas manage limited income sources amid urban economic pressures. Using a qualitative-descriptive approach with in-depth interviews, this study reveals the adaptation patterns of these families in meeting daily needs, saving, and allocating resources for religious obligations. The findings highlight the relevance of Islamic principles such as qana'ah (contentment), barakah (blessing in income), and ikhtiar (effort) in forming economic resilience among urbanized households. This research contributes to the discourse on micro-level Islamic economic behavior and its practical application in Indonesia's multicultural urban contexts.

Keywords: Islamic microeconomics, income management, urbanization, Jayapura, household economy, Islamic values

1. INTRODUCTION

Population migration from the interior of Papua to large cities like Jayapura has been a growing phenomenon in recent decades. Several ethnic groups participating in this urbanization include indigenous Papuan tribes, including the Dani. In addition, several other tribes from across the archipelago have emerged, including the Javanese, Sundanese, Bugis-Makassarese, Butonese, East Nusa Tenggara, West Nusa Tenggara, Dayak, Batak, and others. These latter groups are primarily those who participated in transmigration programs and those who moved on their own initiative from their respective regions of origin.

The presence of indigenous Papuan tribes, such as the Dani, and several other tribes from across the archipelago in Jayapura City has brought new dynamics, both socially, culturally, and economically. This urbanization has had significant social impacts on the destination areas, both positive and negative. Positive impacts include boosting the local economy, increasing access to services and facilities, and cultural exchange, where people adopt and incorporate them into their daily lives.

Urbanization can also drive growth in destination areas, create new jobs, and increase community incomes. Furthermore, people move from rural areas to cities for better access to services and facilities, such as education, healthcare, and other public amenities. Cultural exchange can occur as newcomers from rural areas bring their culture to cities, enriching cultural diversity and creating a more dynamic environment.

Meanwhile, the negative impacts of rural-urban migration can increase the number of urban poor and exacerbate social disparities. Uncontrolled migration can lead to stark economic disparities and widen social inequality. This will occur if there are not enough job opportunities for these migrants.

Urbanization can also trigger the growth of slums in urban areas. Lack of affordable housing and employment opportunities can lead to slums, especially on the outskirts of cities. Traffic congestion and environmental problems such as air pollution and clean water availability can also occur. Increasingly difficult socioeconomic conditions and rising unemployment can increase crime rates in urban areas.

In essence, urbanization has a wide variety of impacts depending on how Jayapura is managed and the policies implemented to address the issues. The Jayapura city government and the community need to work together to ensure that urbanization benefits the community and minimizes its negative impacts.

One of the key challenges facing urbanizing families in urban areas is how they manage their family income in the context of urban life, which differs from their traditional patterns. Family income management is key to understanding household economic sustainability, especially in the face of urban economic pressures, inflation, and the demands of a modern lifestyle.

This article aims to explore how urban families in Jayapura City, especially those who are Muslim, manage their income, as well as the factors that influence it, both from a cultural, social and economic perspective. Urbanization in Papua, particularly in Jayapura City, has transformed the socio-economic landscape, particularly for indigenous and migrant communities. The influx of rural populations into cities is driven by economic needs, education needs, and access to public services. These changes present challenges in household financial management. While the formal economy dominates urban areas, many urbanized families still rely on informal income sources. This study aims to understand how these families, under economic constraints, manage their income and how Islamic microeconomic values influence their decisions.

2. LITERATURE REVIEW

2.1 Islamic Microeconomics and Household Behavior

Islamic microeconomics examines individual and family behavior based on Sharia principles. Concepts such as *maslahah* (public good), *hikmah* (wisdom), and *tawakkul* (reliance on God) shape patterns of consumption, savings, and investment. Microeconomic theory or microeconomics can be interpreted as "small economics" based on the pattern and scope of its analysis, microeconomic theory can be defined as "a field of study in economics that analyzes small parts and the whole of economic activities."

Conventional microeconomics is based on the behavior of individuals that actually occurs in each economic unit. Individual behavior in each economic unit will act and behave according to norms and rules according to their respective perceptions. Discussions of conventional microeconomic consumption behavior only consider changes in economic variables, such as prices and income. However, in Islamic microeconomics, moral factors and norms embodied in the sharia system become important variables that need to be analyzed. Islamic microeconomics explains how decisions are made by economic units by incorporating sharia constraints as a primary variable.

In Islamic Microeconomics, we assume that basic economics (economic variables) only fulfill the necessary conditions, while morals and sharia order will fulfill the sufficient conditions within the scope of microeconomic discussions. In Al-Ghazali's view, economic activity is a good deed recommended by Islam. Economic activity must be aimed at achieving *maslahah* to strengthen the qualities of wisdom, simplicity, and determination of human heart. Al-Ghazali divides humans into three categories. First, people whose life activities are such that they forget the goals of the afterlife, this group will be wretched. Second, people who prioritize the goals of the afterlife over worldly goals, this group will be fortunate. Third, the middle class/most people, namely those whose worldly activities are in line with the goals of the afterlife, (P3EI-UII, 2008: 110).

Muhammad Juni Beddu, et al., (2024) The implementation of *sakinah* family life management in Pekanbaru City has a positive impact on family welfare and harmony. By applying Islamic principles in managing finances and daily life, families can create financial, emotional, and spiritual balance. Awareness of the importance of income management, active participation of husbands and wives in financial planning, and support from an Islamic social environment are the main factors for the success of this implementation. Challenges such as economic changes, the influence of consumerism culture, and lack of financial education can be overcome through an approach that focuses on education and increasing awareness of Islamic principles.

To address these challenges, families need to strengthen communication and cooperation, gain a deeper understanding of Islamic values in income management, and utilize the services of Islamic financial institutions in Pekanbaru City. Overall, implementing a harmonious family life management system in Pekanbaru City is a crucial step toward family well-being and harmony. By integrating Islamic principles into their lives, families can achieve life goals in accordance with religious teachings and create a blessed environment.

Syaparuddin, (2015), Consumption Behavior: When a household's needs can be met by existing resources, there will be no problems, let alone competition. However, when a household's demand for goods and services exceeds the ability to provide them, scarcity will occur. This phenomenon will encourage households to create prosperity for their lives. Conditions of scarcity can also be a moment to test a household's faith and patience. Households must utilize resources optimally without causing damage and injustice on earth.

The implication of the above principle is that there is no absolute scarcity on earth. According to Choudhury, humans perceive scarcity due to limited knowledge of how to utilize their available resources. In the Islamic concept of economics, goods that can be processed by humans are classified as scarce and

are considered economic goods. Meanwhile, goods that are beyond the reach of human productive capacity are not scarce and are therefore not classified as economic goods.⁹

Scarcity also makes a household wise in determining the allocation of its resources. Choices that are not taken are called opportunity costs.¹⁰ Consumer behavior theory studies how humans choose among the various options they face by utilizing the resources they have.¹¹ This means that in general no one can know what is good for their own interests except the person themselves. Thus, restrictions on individual freedom, whether by other individuals or by the authorities, are evil and there must be a strong reason for doing so. John Stuart Mill, as quoted by McEachern, sharpened this understanding by expressing the concept of freedom of action as a statement of basic human freedom. According to Mill, state intervention in any society should be kept to a minimum and interference that hinders human progress is an interference with basic human freedom, and therefore must be stopped. Mill further argued that everyone in society should be free to pursue their interests in the way they choose, but one's freedom to act is limited by the freedom of others. Thus, freedom to act must not cause harm to others.

The above philosophical basis underlies the analysis of consumer behavior in conventional economics. The basic principles in the analysis of consumer behavior are: (1) Scarcity and limited income, (2) Consumers are able to compare costs with benefits, (3) Consumers cannot always estimate benefits correctly, (4) Every good can be substituted with another good, and consumers are subject to the Law of Diminishing Marginal Utility. Meanwhile, the central assumption is that humans behave rationally. The capitalist system cannot survive without it. In many cases, rationality often forces simplifications of problems, which are then engineered into a model.

A model is a simplification of economic problems with the aim of enabling us to understand, make predictions, and design policies. So many unrealistic assumptions are embedded in a model that a certain degree of error is inevitable. Errors that fall outside the scope of rationality demonstrate that the modern scientific community believes in the limitations of rationality. This is known as "beyond rationality." Beyond rationality is neither the same nor identical to irrationality.

If a household gives alms from its income without any visible countervailing transaction, it is considered irrational by those who do not understand the essence and benefits of giving alms. Therefore, a household that gives alms rationally expects immediate rewards in the form of praise, increased prestige and reputation, and at least a thank you. These rewards create satisfaction (utility) in its consumption basket, and for this, it is willing to spend a certain amount of alms plus promotional tools if necessary. Meanwhile, households that give alms with an approach beyond rationality, with the belief in rewards in the afterlife and goodness in this world, as repeatedly promised in the Quran, believe in a truth that does not need to be immediately apparent. Their level of conviction and truth actually exceeds the conviction and truth seen with their own eyes.

Based on the above explanation, the consumption behavior of Muslim households guided by the guidance of the Qur'an and Hadith must be based on rationality that is perfected by integrating belief in a truth that transcends this very limited human rationality. Thus, the main hypothesis in studying the consumption behavior of Muslim households is that the operation of the invisible hand based on the assumption of value-free rationality is inadequate to achieve the goal of Islam, namely the fulfillment of the basic needs of every household in a society.

Thus, Muslim household consumption behavior is shaped by a paradigm of thinking that differs significantly from the law of demand paradigm recognized in conventional economics. The highly glorified rationality of market mechanisms and resource allocation theories has distanced modern economic analysis from the infused humanitarian values and egalitarian spirit that are crucial to human life. Contemporary consumption patterns place greater emphasis on fulfilling material desires than on other needs. Islam provides the concept of *al-nafs al-muthmainnah* (a tranquil soul).¹⁵ This tranquil soul, of course, does not mean one that ignores the demands of the material aspects of life. This is where a caring attitude toward the fate of others needs to be instilled.

The Function of Maslahah in Consumption: According to Misanam, Muslim consumers should not make arbitrary decisions about consuming goods or services because the goal of a Muslim's life is to achieve *falah*. *Falah* is the achievement of worldly and hereafter well-being. Consumption, as a *muamalah* activity to achieve well-being, is a manifestation of piety to God, so the welfare sought is not only worldly but also hereafter well-being. Although it has an hereafter dimension, it can be analyzed operationally by linking *falah* with *maslahah*. *Maslahah* is seen as an indicator of *falah*. *Maslahah* is the result of an activity or action that can bring blessings. An activity that does not produce blessings can be considered not *maslahah*. Meanwhile, blessings can only be obtained if the activity or action in question can produce

goodness, both for oneself and for others. The indicator of goodness is whether an action produces reward or not. An activity that does not produce reward and instead results in sin is considered to have received negative reward. Therefore, the blessing obtained is a negative blessing. If this occurs, *maslahah* becomes negative, thus becoming *mafsadah* that distances the agent from the goal of *falah*.

In conventional economics, consumers are assumed to always desire the highest level of satisfaction. Consumers will choose to consume a combination of goods depending on the level of satisfaction provided by both goods. They will choose the item that provides the highest satisfaction. However, consumption of a good depends on whether the budget is sufficient. If the budget is sufficient, the consumer will consume; if not, they will allocate their budget to purchase other goods that can maximize their satisfaction.¹⁷ Determining the consumption of goods and services is based on the criterion of satisfaction, although goods that can satisfy do not necessarily bring benefits or goodness. The limit to consumption is only budgetary capacity. As long as there is a budget, nothing can prevent the purchase of the good, even if it violates the interests of others or other considerations such as *halal* and morality. Farra Tia Wardani (2024), in her written work entitled, "Blessings As Part Of No problem And Utility In the Concept of Islamic Microeconomics, it is explained that the concept of *barokah*, problem And utility plays a crucial role in understanding economic activity in everyday life. *Barokah*, which refers to the blessings and goodness bestowed by Allah SWT, is considered the result of actions that align with moral and spiritual principles. No problem which emphasizes the goodness and benefits obtained by both individuals and society is expected to prevent losses resulting from maximizing individual utility. Islamic microeconomics offers a new perspective in understanding economic practices with spiritual values. *Barokah*, which means blessing, includes material and non-material dimensions. *Barokah* in Islamic microeconomics refers to the measure of satisfaction and benefits obtained from economic activities that are by *sharia* principles. The relationship between these three concepts shows that the search for *barokah* can be achieved through actions that bring *maslahah*, which ultimately can also increase utility. Through this approach, economic actors are expected to achieve a balance between material and spiritual benefits, and this study also aims to explore the relationship between these three concepts in social and economic life.

2.2 Urbanization and the Informal Economy

Urban migration often takes families into the informal sector. Studies show that urban migrants develop survival strategies that combine traditional values and new urban norms.

Abdul Rahman (2023) in his written work entitled "City Growth Rate in Indonesia" concluded several things. To support the progress and prosperity of the people, the government needs to seriously address the disparity in economic development as a serious issue. Affirmative action and positive discrimination are needed to reduce the economic development gap. Strategies for developing the agriculture, plantation, fisheries, and livestock sectors must empower the regional workforce. Involving every regional element, creating regional entrepreneurship, and guaranteeing prices are policy instruments that need to be studied to prevent the exodus of the workforce to urban areas. Going forward, we can hope that internal migration will not only be driven by low-skill employment, but also by high-skill employment. The distribution of a highly skilled workforce is expected to be a driving force for the regional economy, resulting in higher-quality and more evenly distributed national economic growth.

2.3 Income Management from an Islamic Perspective

Islam emphasizes responsible spending (*israf* vs. *iktisad*), saving for future needs, and fulfilling religious obligations such as *zakat* and *sadaqah*. Efficient household income management is both a spiritual and economic necessity.

Consumptive behavior has now become a habit and even a lifestyle for people in today's era, this behavior also tends to increase expenses because it is not only used to fulfill needs but also to satisfy their desires. Excessive behavior is strictly prohibited in Islam as Allah says in Surah Al-A'raf verse 31.6

بَحِيلٌ ۚ هَٰذَا أَوفَرُ سِتْرًا وَأَبْرَ شَاوًا وَلَكِنْ مَكْنَعَتَيْنِ ۚ وَذَخْمًا ۚ عَنِّي تَفَرُّ سَمًا

Meaning: "O descendants of Adam, wear your nice clothes at every (entering) mosque, eat and drink but do not overdo it. Indeed, God does not like people who are overdoing it.

Islamic consumption is always guided by Islamic teachings. Among the important teachings related to consumption is the need to care for others. Furthermore, it is forbidden for a Muslim to live in excess, while the purpose of consumption itself is that a Muslim will prioritize *maslahah* (benefit) over utility. Achieving *maslahah* is the goal of Islamic law, which must of course be the goal of consumption activities. Ibid., 98. Al-Qur'an, 7:31. 6 Simply put, consumption in economics is defined as the use of goods to

directly fulfill a need. In terms of consumption, Islam prohibits humans from being excessive or extravagant in unlawful matters such as food, clothing, shelter, or even charity.

Managing family income is crucial in a household. No matter how much income is earned, poor management will undoubtedly pose a threat to the family's financial stability. Furthermore, to improve family finances, it's also important to consider exploring new, reliable opportunities to increase the family's financial resources.

Each household will decide how much of their income will be consumed and how much will be saved for the future. According to Sukirno, household consumption expenditure is the value of spending made by a household to purchase various types of necessities within a certain period. The income received by a household will be used to buy food, finance transportation services, pay for children's education, pay for house rent and buy vehicles. Households purchase these goods to meet their needs, and this spending is called consumption. Meanwhile, household consumption expenditure is also defined as the costs incurred by a household per month for the consumption of all household members, (Hanan Kusumawati; 2020).

3. METHOD

This study uses a descriptive qualitative approach to urban communities located in Jayapura City, namely in the South Jayapura District, located in Entrop Village, Abepura District in Asano Village, and Muaratami District in West Koya Village. Data collection techniques used were in-depth interviews, observation, and documentation. Interviews were conducted with 15 urban families from mountainous areas such as Wamena and Paniai, as well as from transmigration areas such as Keerom, Taja, Lere, Besum, and Nimbokrang, Jayapura Regency. The data were analyzed using thematic analysis, which is more oriented towards understanding the deeper meaning and interpretation of emerging patterns in the data, with an emphasis on the context and experiences contained within the data. Thematic analysis is expected to unearth rich and meaningful insights from the qualitative data and provide a deeper understanding of the phenomenon under study. The research sample was drawn using purposive sampling.

4. RESULTS AND DISCUSSION

4.1 Sources of Income and Allocation

Jayapura City has experienced rapid development in the past 10 years, both in terms of infrastructure, housing, the development of small and medium enterprises (MSMEs), population, and also the expansion of administrative areas, including districts, sub-districts, and villages. According to 2024 data, Jayapura City has a population of 404,799. It consists of five districts: North Jayapura District, South Jayapura District, Abepura District, Muaratami District, and Heram District. There are 25 urban villages spread across North Jayapura District, seven of which are Imbi, Mandala, Tanjung Ria, Trikora, Angkasapura, Bayangkara, and Gurabesi. South Jayapura District has five urban villages: Numbay, Hamadi, Entrop, Argapura and Ardipura. Abepura District has 8 sub-districts, such as Abepantai Sub-district, Asano, Awiyo, Kota Baru, Vim, Wahno, Waymhorock, and Yobe. Muaratami District consists of two sub-districts, namely West Koya Village and East Koya. Meanwhile, Heram District, with its capital in Waena, consists of three sub-districts: Hedam, Waena, and Yabansai.

Meanwhile, 14 villages are spread across North Jayapura District, including one village, Kayo Batu. South Jayapura District has three villages: Tahima, Sorama, and Tobati. Similarly, Abepura District has three villages: Enggros, Koya Koso, and Nafri. Muaratami District has six villages: Holtekam, Koya Tengah, Moso, Skouw Mabo, Skouw Sae, and Skouw Yambe. Heram District has two villages: Waena and Yoka. It is undeniable that the development of Jayapura city has attracted the attention of a number of residents from the interior and from outside areas to urbanize to this city. Observations from 15 urbanizing families (KK) spread across Muaratami District, South Jayapura District, and Abepura District are diverse and multicultural. With all the limitations such as capital and information literacy, they must adapt to new life and take advantage of existing opportunities from their perspective to try to meet their needs. Mr. Agus (not his real name), a Dani tribe, for 7 years from his hometown in the Baliem Valley to Koya Barat Village, Muaratami District.

This family's daily activities, which serve as a source of income, are influenced not only by the Dani culture of their homeland but also by adaptations to the lifestyles of other ethnic groups, such as the Javanese. To earn a living, they utilize unused land to open a garden (yabu) planting secondary crops, especially sweet potatoes, which are usually called hyper or about it the family also fishes for extra income. Their eldest daughter, a high school student, diligently helps her parents catch fish outside of school hours and

sells it in front of a shop in West Koya in the afternoons. She takes turns selling the fish with her mother, as does her garden produce, including sweet potatoes, betta fish, and other vegetables.

This family represents several urbanized Dani families in the Koya Timur, Entrop, and Asano sub-districts, as well as those scattered throughout Jayapura city. In addition to small-scale gardening, they also sell their produce and areca nuts from their shops or set up roadside stalls. Some also cultivate roadside gardens with well-maintained sweet potato plants, adding to the beauty of the surrounding area. However, many have poorly maintained roadside gardens, which detract from the scenery and beauty of Jayapura city.

This is different from the urbanization of other ethnic groups such as Javanese, Sulawesi, and others who come from transmigration areas and also directly from their hometowns. In addition to being fruit and vegetable traders, they also try culinary fields, such as selling yellow rice, green bean porridge, and motorcycle taxi drivers, also as construction laborers, collecting scrap metal and doing odd jobs. Mr. Mukti (pseudonym) who sells cassava chips that he makes with his wife and children, who live in a boarding house. Originally from the Taja area of Jayapura Regency, but more time selling cassava chips on the veranda of shops that move around in such as Entrop, Abepura, Koya Barat and other places. Characteristically, the chips are wrapped in plastic bags and hung on his motorbike, protected under an umbrella tied to the bike.

Most of these urbanized families rely on small-scale trade, transportation services (motorcycle taxis), and other services, as mentioned above, with monthly incomes ranging from 2–4 million rupiah. The research results show the income of these urbanized families, as shown in the following table:

Tabel 1 Income of urbanized families in Jayapura City in June 2025

No	Respondent Code	Work	Monthly income (millions)	Daily income (thousands)
1	R1	Gardening and selling the produce yourself	2 - 3.5	67 - 117
2	R2	Gardening and selling the produce yourself	2 - 3	67 - 100
3	R3	Gardening and selling the produce yourself	2.5 - 3	85 - 100
4	R4	Gardening, fishing and selling the produce yourself	3,0 - 4	100 - 135
5	R5	Gardening, fishing and selling the produce yourself	3,5 - 4	117 - 135
6	R6	Gardening, fishing and selling the produce yourself	2,5 - 4	85 - 135
7	R7	Trade vegetables and fruits	3.0 - 4	100 - 135
8	R8	Trade fruits	2,0 - 3.5	67 - 117
9	R9	Selling green bean porridge in front of the shop	2,5 - 4	85 - 135
10	R10	Home industry (chips, crackers), selling it yourself	2.3 - 3.5	77 - 117
11	R11	A casual construction worker and selling turmeric and tamarind herbal medicine, butrowali.	3 - 4	100 - 200
12	R12	Collecting scrap metal	3 - 4.5	100 - 150
13	R13	Selling fried food and ice cendol	2.5 - 4	85 - 135
14	R14	Selling yellow rice (culinary) in front of the shop and around	3,5 - 4	117 - 135
15	R15	Motorcycle taxis driver	3.0 - 4	100 - 135
	Rate-rate		2.7 - 3.8	90 - 133

Income is allocated to priority needs such as basic food, rent, boarding house payments, house installments, children's school fees, and savings. Income management in urban families in Jayapura City

varies widely; not all families have income and expenses managed by the housewife. For example, respondent R12, who lives in a boarding house, does not hand over all of his income to his wife, who lives in Surabaya with their youngest child. Instead, his income not only covers his own living expenses but also finances his two children's college education at a state university in Jayapura City. He sends money to his wife as needed and is more carefully considered based on his income.

Respondent R11's family income management is different, as it tends to be managed individually by both husband and wife. The husband, a construction worker and casual laborer, does not hand over his earnings to his wife daily or monthly. Likewise, his wife continues her routine of producing and selling herbal medicine. However, she is more concerned with household expenses, such as the house installment, which has been outstanding for five of the 15 years. She also has to worry about daily meals, children's school fees, electricity and water bills, and her husband's needs, such as buying cigarettes and other necessities.

Essentially, when there's a need, we care for each other to ensure it's met. For example, during the interview, a husband approached his wife and expressed his lack of money to pay his motorcycle tax and replace his license plate, which cost 400,000 Rupiah. "Ma, do you have 150,000 Rupiah to add to my funds?" His wife readily gave it to him, while also addressing some of her husband's shortcomings, as he often worked for his friends without demanding payment.

4.2 Application of Islamic Economic Values

Muslim families in Jayapura's urban areas strive to earn a living through Islamic spiritual values. They believe that God has already arranged our sustenance; we as humans must strive for it. Everything must be based on the sovereignty of the universe, Allah SWT. Every income, whether large or small, should be appreciated, or what is also called gratitude. *Cana'ah*. Families in Jayapura's urban areas practice gratitude in their lives, despite their low incomes. This gratitude is also manifested in consistently fulfilling their obligations, such as attending the five daily prayers and fasting, both obligatory and recommended, on Mondays and Thursdays.

Apart from that, practicing household spending that reflects simplicity and consideration of priority scales is called Economy Wasteful spending is reduced, preventing greed and creating balance in the family's economic life and in society. Gratitude, or contentment, is not only about not being greedy but also about not being greedy and not overly pursuing wealth and worldly things. This urbanized family, despite feeling content, continues to strive and work hard to earn a lawful livelihood. They avoid envy of others' wealth, feel calm and happy, and always maintain a balance between this world and the hereafter. This is also considered key to ensuring their efforts and income are blessed.

Urban families in Jayapura also believe that the wealth we receive contains the rights of others that must be fulfilled. Zakat al-Fitr is always paid before Eid al-Fitr. However, some respondents haven't yet paid Zakat al-Mal, citing that they haven't reached the minimum threshold (*nisab*) and are still focused on routine expenses such as food, mortgage payments, and other priority needs.

Some urban families also believe that for their businesses to run smoothly and be blessed, they need to give alms. The practice varies; some participate in the Friday Blessings program at the nearest mosque. Others donate their sales to Islamic boarding schools and similar institutions. Almsgiving is also manifested through openness to guests, especially fellow urbanites and those new to Jayapura. This is evident in respondent R14, who wholeheartedly served his friend. He used the phrase, "If there's someone, let's eat together." The principle of making things easier for others is that God will surely repay them, making their own affairs easier. This is where perseverance and effort, namely the balance between effort and dependence on Allah SWT's sustenance is very clear.

4.3 Social and Cultural Factors

The socio-cultural factors in Jayapura City are diverse, reflecting a blend of indigenous Papuan culture and external influences. The application of Islamic microeconomics in Jayapura City is still limited. However, with urbanization, the potential for Islamic microeconomic development is significant. Support from the existing urban Muslim community and the local economic potential in Jayapura City demonstrates the application of Islamic microeconomics. Business ethics that prioritize Islamic values such as justice, honesty, and transparency are evident in business practices. Although several indigenous Papuan tribes living in Jayapura City, such as the Skouw, Enggros Tobati, Sentani, Hamadi, Dani, and others, are predominantly Christian, Islam has a significant influence, especially among immigrants.

Local traditions and wisdom, such as customary law, are highly respected and used in conflict resolution, taking into account religious values and community morality. The local product, betel nut, is prominent in trade in Jayapura, not only among indigenous Papuans but also among some urban communities,

particularly the Bugis Makasarese. This is closely related to the Papuan people's habit of chewing betel nut. This is also why Jayapura is known as the "City of a Thousand Betel Nuts."

The principle, "Wherever the Earth is Stepped, There the Sky is Carried" is a motto for urbanizers to respect local customs and wisdom in Jayapura. Social cohesion among fellow urbanizers strengthens informal safety nets and openness, while minimizing narrow-minded, regional tribalism. This Islamic social system influences the values of equality and brotherhood, which also influence the broader social system. The potential of both traditional and modern markets has the potential to develop Islamic economic principles. Micro, small, and medium enterprises (MSMEs) operating in Jayapura, the majority of whom come from urbanizers, can be targets for the application of Islamic microeconomics.

Likewise, Islamic financial institutions, such as Islamic banks and Baitul Maal wa Tamwil (BMT), can provide financing and Islamic financial services to MSMEs. To help communities, especially urban communities, develop an Islamic micro-economy, government guidance is needed, such as education and training on Islamic micro-economy. This will greatly assist communities in understanding and applying Sharia principles to their businesses. Support from the Muslim community and religious leaders is also crucial for developing an Islamic micro-economy in Jayapura. Similarly, mosques serve as centers not only for worship but also for economic support and literacy, such as training in Islamic finance.

However, several challenges must be addressed, including a lack of understanding among some members of the public about the concepts and principles of Islamic microeconomics. Furthermore, limited access to Islamic financial institutions and other resources in Jayapura City remains limited. The challenge of competition for MSMEs operating in Jayapura City is that they must compete with established businesses with better access to both capital and technology.

6. CONCLUSION

This study concludes that household income management among urban families in Jayapura is shaped not only by economic constraints but also by strong Islamic values. These values provide a framework for decision-making that balances survival and spirituality. The average monthly income of urban families, which averages 2.7 million to 4 million rupiah, is viewed as a blessing and sustenance from Allah SWT, which deserves gratitude or an attitude of contentment. This attitude significantly influences how urban families manage their income expenditures.

Income allocation takes into account priorities such as daily food needs, rent, house installments, electricity and water bills, children's school fees, savings, and so on. Furthermore, this wealth is considered to still include the rights of others that must be fulfilled. Therefore, urbanized families' income is also allocated to paying zakat and alms. This allocation of income among urbanized households strengthens cohesion, unity, and mutual care among them, the urbanized community. It also positively impacts the socio-cultural life of Jayapura City.

Policymakers and Islamic economic institutions need to be encouraged to support these urbanizing communities through integrated microfinance, training, and urban welfare programs. This is intended to ensure that the development of Islamic microeconomics for urbanizing communities runs smoothly.

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