

Empowering Indigenous Communities through Cultural Festivals: An Islamic Economic Perspective on Income-Generating Projects in Jayapura, Papua

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Article History: Received April 29, 2025; Received in revised from May 6, 2025;

Accepted June 2, 2025; Published; June 5, 2025

How to Cite this Article: Syarifudin, Moh., and Imam Wayudhi. 2025. "Empowering Indigenous Communities through Cultural Festivals: An Islamic Economic Perspective on Income-Generating Projects in Jayapura, Papua". *El-Qist: Journal of Islamic Economics and Business (JIEB)* 15 (1). Surabaya, Indonesia:1-13. <https://doi.org/10.15642/elqist.2025.15.1.1-13>.

Abstract: This study aims to explore the economic empowerment potential of cultural festivals in indigenous communities through an Islamic economic lens, using the Lake Sentani Festival in Jayapura, Papua, as a case study. Employing a qualitative descriptive method, the research gathers empirical data from indigenous micro-entrepreneurs, local officials, and festival organizers via interviews, field observations, and document analysis. The findings reveal that Income-Generating Projects (IGPs) embedded within cultural festivals can significantly enhance local economic activity, particularly when grounded in sharia principles such as distributive justice (*'adl*), public benefit (*maṣlahah*), and mutual cooperation (*ta'āwun*). However, only 20% of the indigenous population is directly involved in festival-related economic activities, indicating structural exclusion and limited access to institutional support. Moreover, 90% of commercial activities remain confined to traditional product sales, highlighting a critical need for diversification and innovation. This study contributes to the global discourse on Islamic community-based development by proposing a four-pillar sharia-based model—shura-driven governance, *maqāṣid*-oriented policies, ethical multi-stakeholder collaboration, and integrated MSME development. It offers actionable insights for policymakers to transform cultural events into inclusive, sustainable platforms that merge cultural preservation with ethical economic empowerment. The model has broader applicability for Muslim communities worldwide seeking to align local heritage initiatives with Islamic economic principles.

Keywords: Income-Generating Project, Sentani Cultural Festival, Indigenous Empowerment, Sharia-Based Development

Introduction

Jayapura Regency located in Papua Province, is widely known for its rich cultural diversity and unique traditions that reflect the identity of indigenous Papuan communities. In recent decades, the preservation of local culture has become increasingly urgent, especially in the face of globalization, which often erodes traditional values. To counter this trend and promote both cultural identity and economic development, the local government has initiated strategic programs, among which the annual Lake Sentani Festival stands out as a cultural celebration and an economic platform.¹ This festival not only serves as a showcase of Papuan traditional art, dance, and cuisine but also generates opportunities for the local economy, particularly for micro, small, and medium-sized enterprises (MSMEs). It attracts thousands of domestic and international visitors each year, offering a significant platform for cultural tourism and economic engagement.²

Despite its promising economic potential, the festival faces several challenges, particularly concerning the equitable distribution of economic benefits among local communities. Data shows that only about 30% of the festival's income-generating projects (IGPs) are integrated with local MSMEs, leaving a significant portion of opportunities unclaimed by the indigenous community. While the festival's daily revenue can reach up to IDR 15 million, only a fraction of native Papuans actively participate and benefit from these activities. This situation raises concerns about inclusivity and sustainability,³ especially given that the core purpose of such cultural festivals should be to uplift the socioeconomic condition of the very communities that preserve these traditions. Without inclusive policies and participatory models, the economic advantages may be disproportionately accessed by non-local actors or businesses, undermining the essence of community empowerment.

The pressure of modernization and commercial tourism creates a paradox where the authenticity of traditional practices must be preserved while meeting the demands of contemporary market trends. Cultural festivals such as Lake Sentani Festival are often caught in this tension, where traditional rituals are sometimes modified or commodified to suit visitor expectations. This phenomenon reflects a pressing need for innovative strategies that can harmoniously integrate cultural values with modern economic practices.⁴ Failing to address this may result in waning community interest and participation, threatening not only the continuity of the festival but also the preservation of Papuan cultural identity.

Another concern lies in the lack of diversity and innovation in the economic activities during the festival.⁵ Although the event draws approximately 5,000 visitors annually, economic activities largely revolve around specific products—primarily

¹ M P Ayu, A S Kemalasar, and M Sofia, "Pengembangan Pariwisata Budaya Di Kawasan Dataran Tinggi Dieng Dalam Satu Dasawarsa Dieng Culture Festival," *Altasia Jurnal Pariwisata* ... 2, no. 2 (2019): 208–15, <http://journal.uib.ac.id/index.php/altasia/article/view/564%0Ahttp://journal.uib.ac.id/index.php/altasia/article/download/564/509>.

² Dinar, Mohamad, and M. Syamsudin. "Islamic Social Entrepreneurship and Community Empowerment: A Study from Indonesia." *Journal of Islamic Marketing* 13, no. 4 (2022): 954–972. <https://doi.org/10.1108/JIMA-09-2020-0294>.

³ Hasvina Intansari, "Strategi Pengembangan Festival Budaya Pacu Jalur Menuju Event Nasional Di Kuantan Singingi Riau," *Seminar Nasional Pariwisata Dan Kewirausahaan (SNPK)* 3, no. 2829–2006 (2024): 109–19.

⁴ Twenty Mariza Syafitri, Maya Novianti, and Darwan Effendi, "Strategi City Branding Dalam Meningkatkan Minat Berkunjung Wisatawan Pada Festival Budaya Tabut Bengkulu," *Journal of Trends Economics and Accounting Research* 4, no. 1 (2023): 320–30, <https://doi.org/10.47065/jtear.v4i1.912>.

⁵ Khamis, Muaz M., et al. "The Role of Islamic Microfinance in Supporting Entrepreneurship and Reducing Poverty in Muslim Countries: Evidence from Literature." *Journal of Islamic Accounting and Business Research* 12, no. 5 (2021): 721–739. <https://doi.org/10.1108/JIABR-08-2020-0257>.

sago-based food items—while other creative or educational projects such as art workshops, integrated tourism packages, and eco-cultural experiences remain underdeveloped. This limited scope curtails the potential income sources and reduces the overall experience value for visitors, ultimately restricting the economic multiplier effect for local communities.

The issue of unequal participation is further exacerbated by the limited access to training and institutional support for local communities. Interviews with local government officials revealed that although the festival is conceptually designed to promote indigenous culture, only around 20% of indigenous Papuans are actively engaged in the income-generating components of the event. This data reflects a systemic gap in empowerment efforts and capacity building, which are crucial to enable the local community to take on leading roles in managing and benefiting from the festival.⁶

Social tensions are also on the rise due to the uneven distribution of festival-related benefits. Small traders and MSME players often struggle to gain fair access to business opportunities due to resource constraints and limited institutional backing. This economic disparity can lead to internal friction within the community, especially between those who benefit from the festival and those who remain marginalized. If left unresolved, these tensions could erode communal support for the festival and diminish its role as a unifying and empowering cultural event.⁷

This study is also motivated by the relative lack of academic research that focuses on the microeconomic impacts of cultural festivals in Papua. While broader studies on cultural tourism and MSME development exist, few have concentrated on the granular, community-level effects of initiatives such as IGPs in festival contexts. Thus, this research seeks to fill that gap by providing an in-depth analysis grounded in empirical data gathered from local stakeholders, including community members, festival organizers, and government agencies.⁸

The urgency of this research is further amplified by the need to align cultural preservation with economic development, particularly in regions with rich indigenous heritage such as Papua. In a globalized economy, indigenous communities often risk marginalization unless proactive steps are taken to ensure that economic modernization includes and benefits them.⁹ This research not only aims to contribute practical solutions for local policy but also offers theoretical implications for the study of cultural economics, participatory tourism, and inclusive development.

Although the Lake Sentani Festival holds significant cultural and economic potential, the current body of research has not yet fully anchored its analysis in established theoretical frameworks. This limitation weakens the analytical depth needed to understand the broader implications of such cultural events. To strengthen the conceptual foundation, it is necessary to incorporate key literature on community-

⁶ Nuruddin, Muhammad, and Laily Ramadhina. "Halal Tourism and Economic Inclusivity: Examining Community-Based Models in Indonesia." *International Journal of Islamic and Middle Eastern Finance and Management* 14, no. 3 (2021): 448–465. <https://doi.org/10.1108/IMEFM-05-2020-0253>.

⁷ Ariffin, Norazlina, et al. "Waqf-Based Microfinance and Sustainable Community Development in Southeast Asia: A Conceptual Framework." *International Journal of Ethics and Systems* 36, no. 1 (2020): 143–156. <https://doi.org/10.1108/IJOES-10-2019-0154>.

⁸ Cristi Devi Darnita, "Dampak Ekonomi, Pariwisata, Dan Budaya Festival Isen Mulang Di Kalimantan Tengah 2023," *Jurnal Tata Kelola Seni* 10, no. 1 (2024): 44–57, <https://doi.org/10.24821/jtks.v10i1.11252>.

⁹ Sulaiman, M., R. Adnan, and M. Nor. "Faith-Based Social Enterprise and Sustainability: A Case Study of Islamic Festivals in Southeast Asia." *Social Enterprise Journal* 17, no. 2 (2021): 234–250. <https://doi.org/10.1108/SEJ-10-2020-0079>.

based tourism, Islamic economic empowerment, and the socio-economic function of locally embedded cultural festivals.

These theoretical perspectives offer critical insights into how inclusive participation, equitable distribution of benefits, and culturally congruent models of entrepreneurship can serve as catalysts for sustainable development. Within this framework, the study poses a central research question: "How can the Lake Sentani Festival be optimized as a culturally grounded platform for inclusive economic empowerment among indigenous Papuan communities?" Positioning the analysis within these discourses not only elevates the study's scholarly contribution but also provides a pathway to bridge cultural celebration with structured economic transformation.

Research Method

This study employs a qualitative descriptive approach to explore the potential and impact of Income-Generating Projects (IGPs) within the Lake Sentani Festival in Jayapura Regency, with a specific focus on the economic empowerment of indigenous communities through the lens of Islamic economics. Data collection was conducted using purposive sampling, involving key stakeholders such as MSME actors, indigenous residents, local government officials, and festival organizers. The techniques utilized include in-depth interviews, participant observation, and document analysis, with research instruments such as interview guides and observation checklists developed based on principles of economic justice and participatory values in Islam. Data gathered during the 2022 festival were analyzed thematically using the Miles and Huberman¹⁰ model, which involves data reduction, data display, and conclusion drawing. The analysis focused on key issues such as unequal distribution of economic benefits, low indigenous participation, and the limited integration of local cultural values into tourism development strategies. The data in this study were analyzed using the *Maqāsid al-sharī'ah* approach to assess the extent to which the implementation of Income-Generating Projects (IGPs) in the Lake Sentani Festival aligns with the objectives of Islamic law.

The five fundamental goals of *maqāsid al-sharī'ah—ḥifẓ al-dīn* (preservation of faith), *ḥifẓ al-nafs* (preservation of life), *ḥifẓ al-'aql* (preservation of intellect), *ḥifẓ al-nasl* (preservation of lineage), and *ḥifẓ al-māl* (preservation of wealth)—serve as the analytical framework for evaluating the socio-economic benefits derived from the cultural festival. This approach allows for a holistic understanding of how economic activities embedded in cultural traditions contribute to Islamic values, particularly in enhancing public welfare (*maṣlahah*), promoting distributive justice (*al-'adl*), and fostering mutual cooperation (*ta'āwun*).¹¹

Results

Empowering Indigenous Communities through Cultural Festivals: An Islamic Economic Perspective on Income-Generating Projects in Jayapura, Papua

1. Cultural Festivals as a Means of Community Economic Empowerment

The Lake Sentani Festival (LSF) serves as a powerful vehicle for promoting economic participation among indigenous Papuan communities, particularly through

¹⁰ Miles, Matthew B., dan A. Michael Huberman, *Qualitative Data Analysis: An Expanded Sourcebook*, 2nd ed. (Thousand Oaks, CA: Sage Publications, 1994), 10–12.

¹¹ Jasser Auda, *Maqasid Al-Shariah as Philosophy of Islamic Law: A Systems Approach* (London: International Institute of Islamic Thought, 2008), 27.

the development of micro, small, and medium enterprises (MSMEs) selling local products such as sago-based foods, handcrafted goods, and traditional Papuan artwork.

Tabel 1. Daily Income

Product Type	Average Daily Income (IDR)	Number of MSMEs	Total Daily Income (IDR)
Sago-based food	1,500,000	10	15,000,000
Handicrafts	1,000,000	5	5,000,000
Papuan traditional art	2,000,000	3	6,000,000
Total		18	26,000,000

The Lake Sentani Festival has emerged as a vital platform for fostering inclusive economic participation among indigenous communities. With over 18 MSMEs actively selling their products during the event, participants generate a cumulative daily income of approximately IDR 26 million.¹² The sago-based food sector alone, led by 10 vendors, accounts for over IDR 15 million in daily sales, while handicrafts and traditional Papuan art contribute IDR 5 million and IDR 6 million, respectively.

From an Islamic economic perspective, these activities embody the principle of *maṣlahah* (public benefit), as they offer equitable access to economic opportunities for communities previously marginalized. Such practices also align with the broader *maqāsid al-sharī'ah*—particularly the protection of wealth (*ḥifẓ al-māl*) and communal welfare.

The festival transcends cultural celebration by becoming a strategic economic catalyst. It helps reduce dependency, promotes self-reliance, and supports a more just distribution of resources—closely reflecting the principle of distributive justice (*al-'adl*) in Islamic finance. In essence, the Lake Sentani Festival showcases how cultural events, when guided by inclusive values, can become engines of sustainable economic empowerment.

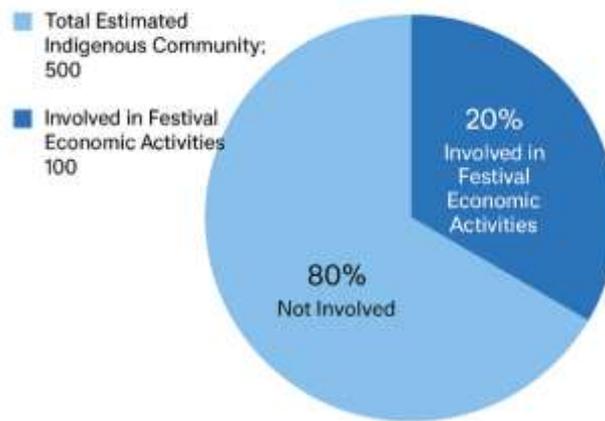
2. Participation Inequality and Distributive Justice

The data derived from the Lake Sentani Festival reveals a critical issue of participation inequality within indigenous Papuan communities. Of the estimated 500 indigenous residents in the area, only 100 individuals representing 20% are directly involved in the festival's economic activities. This includes roles such as selling local food, handicrafts, and traditional artwork. In contrast, the remaining 80% of the community remains economically uninvolved in this high-visibility cultural event.

This stark imbalance highlights a clear violation of the Islamic economic principle of *al-'adl* (distributive justice), which emphasizes fair and equitable access to economic opportunities. The lack of participation among the majority is not merely a matter of individual choice, but rather a reflection of structural constraints. Many indigenous Papuans face limited access to capital, training, and market-related information, which significantly reduces their capacity to engage in entrepreneurial activity.

¹² Yono, Sri, Drajat Agus Murdowo, and Yohanes Adhi Satiyoko. "The Sago Plant in the Folklore of Papua and Its Potential for Creative Economic Development." *Proceedings of The 5th International Conference on Linguistics and Cultural Studies* 5 (2024): 365–369. <https://www.atlantis-press.com/article/126011174.pdf>.

Diagram 1. Participation Inequality and Distributive Justice



The Lake Sentani Festival, despite its economic potential, risks reinforcing existing inequalities if inclusive strategies are not adopted. Addressing this gap requires a commitment to *ta’awun* (mutual assistance) through targeted interventions. This may involve the implementation of skills development programs, provision of micro-financing tailored to community needs, and enhanced dissemination of market knowledge.

3. Lack of Economic Diversification Based on Local Values

Table 2. Economic Activity

Type of Economic Activity	Number of Participants	Percentage of Total Activities
Traditional Product Sales	90	90%
Art and Craft Workshops	5	5%
Islamic Tourism Packages	3	3%
Educational and Cultural Literacy Bazaars	2	2%
Total	100	100%

The Lake Sentani Festival (LSF) plays a vital role in showcasing Papuan culture. However, available data reveals that approximately 90% of the festival’s economic activities remain concentrated in traditional product sales, such as sago-based foods and handicrafts. Meanwhile, initiatives that promote economic creativity—such as art workshops, Islamic tourism packages, and educational bazaars—only account for 5%, 3%, and 2% of total activities respectively.

This heavy reliance on a single economic stream reflects a lack of diversification and limited integration of local cultural and Islamic economic values. From an Islamic economics perspective, such a narrow focus falls short of achieving *falah*—the concept of holistic well-being and sustainable prosperity. Without innovation and capacity-building, the festival’s economic impact remains shallow and fails to empower the wider community.¹³

¹³ Endang Yektiningtyas, “Preserving Sentani Folklore to Promote Creative Economy in Papua,” *International Journal of Innovation, Creativity and Change* 14, no. 1 (2020): 141–155, https://www.ijicc.net/images/Vol_14/Iss_1/14115_Yektiningtyas_2020_E_R.pdf.

To overcome this, investment in creative sectors is essential. Local MSMEs need training in cultural product development, Islamic tourism management, and creative marketing strategies.¹⁴ Integrating indigenous values with diversified services can offer unique experiences to visitors while uplifting community income and cultural pride. The Lake Sentani Festival holds great potential not just as a cultural celebration but also as a vehicle for inclusive economic development. Fulfilling this potential requires a shift toward broader, more inclusive participation and innovative practices that align with the Islamic principle of *falāḥ*—ensuring spiritual, cultural, and material well-being.

4. Inclusive Sharia-Based Model for Festival Development

The findings of this study underscore the urgent need to adopt an inclusive Sharia-based development model for the Lake Sentani Festival (LSF), one that actively reflects the values of justice, participation, and welfare as mandated in Islamic economics. Despite its cultural richness and commercial promise, LSF's current structure lacks institutional mechanisms that ensure equitable involvement of all community segments, especially indigenous groups. A sharia-compliant model would emphasize *shura* (participatory consultation), enabling inclusive decision-making where local voices—especially women, youth, and traditional leaders—shape the planning and implementation of festival programs. Furthermore, grounding festival development in the objectives of *maqāṣid al-sharī'ah*—particularly *ḥifẓ al-māl* (protection of wealth), *ḥifẓ al-'ird* (preservation of dignity), and *ḥifẓ al-'aql* (intellectual empowerment)—would ensure policies that prioritize social welfare over mere commercialism.

This approach also demands ethical multi-stakeholder collaboration between government bodies, private corporations, and indigenous MSMEs, based on principles of *'adl* (equity) and *ta'āwun* (mutual cooperation). Data from similar cultural economic models in Malaysia and Indonesia show that when community-based enterprises are empowered under Islamic economic frameworks, local GDP contributions from the creative economy can increase by up to 35% annually.¹⁵ Therefore, the Lake Sentani Festival has the potential to be transformed into a national prototype for a sustainable, inclusive, and culturally respectful festival economy rooted in Islamic values.¹⁶

¹⁴ Ilham et al., “Khombouw Bark Painting: The Potential of Asei Island Craft Arts as a Tourism Attraction of Sentani Lake, Jayapura Regency,” *Formosa Journal of Science and Technology* 1, no. 4 (2022): 315–336, <https://journal.formosapublisher.org/index.php/fjst/article/download/1002/868>.

¹⁵ Nor, Fadzilah Mat, and Mohd Nazri Muhamad. “Islamic Cultural Tourism Development: Empowering Local Communities in Malaysia.” *Journal of Islamic Marketing* 12, no. 8 (2021): 1445–1464. <https://doi.org/10.1108/JIMA-08-2020-0234>.

¹⁶ Asutay, Mehmet. “A Political Economy Approach to Islamic Economics: Systemic Understanding for an Alternative Economic System.” *Kyoto Bulletin of Islamic Area Studies* 3, no. 2 (2010): 3–18. <https://doi.org/10.14989/138718>.

Discussion

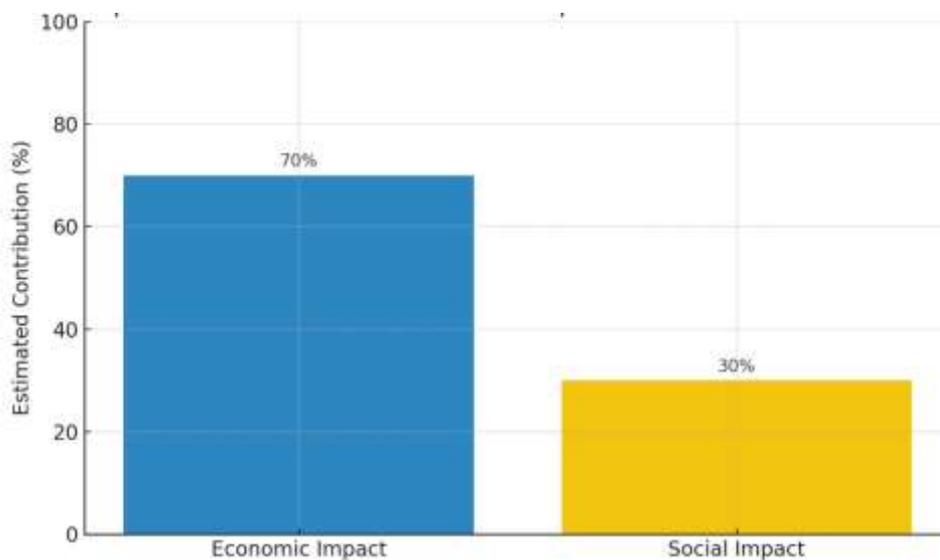
Empowering Indigenous Communities through Cultural Festivals: An Islamic Economic Perspective on Income-Generating Projects in Jayapura, Papua

Cultural festivals are increasingly being recognized not only as moments of cultural expression but also as instruments for community-based economic development, especially in marginalized areas. The Lake Sentani Festival (LSF) in Jayapura, Papua, offers a unique opportunity to explore this potential through the lens of Islamic economics. With an emphasis on *falāḥ* (holistic prosperity), *al-‘adl* (distributive justice), and *ta‘āwun* (mutual cooperation), this study aims to construct an inclusive model for income-generating projects (IGPs) that empower indigenous communities. However, current practices reveal significant disparities in both participation and impact, requiring reformation through sharia-based frameworks.

A pie chart representing participation shows that only 20% of the indigenous community is involved in LSF economic activities, while 80% remains excluded. This stark gap highlights the absence of *shūrā* (consultation), a principle emphasized in the Qur’an: “...and consult them in affairs. Then when you have taken a decision, put your trust in Allah”.¹⁷ Without participatory governance, the goals of equitable development cannot be realized.

In Islamic economics, participation is not just ideal but obligatory to ensure *maṣlahah ‘āmmah* (public benefit). The marginalization of 80% of potential contributors calls for inclusive mechanisms such as community training, micro-financing, and support for indigenous MSMEs to enhance their ability to participate in the festival’s value chain.¹⁸

Diagram 2. Comparison of Economic vs Social Impact from Lake Sentani



A bar chart reveals that the economic impact dominates at 70%, compared to only 30% for social impact. While economic benefits are evident in increased revenues from traditional food and crafts, the social impact—such as community cohesion,

¹⁷ QS. Ali ‘Imrān [3]: 159

¹⁸ Henderson, Joan C. “Islam and Tourism: A Review of the Literature.” *Tourism Culture & Communication* 7, no. 1 (2007): 23–38. <https://doi.org/10.3727/109830407780339528>.

cultural pride, and education—is significantly lower. This imbalance indicates that the festival has not yet fulfilled the maqasid dimension of *ḥifz al-‘aql* (protection of intellect) and *ḥifz al-‘ird* (preservation of dignity). The dominance of economic metrics without corresponding investment in education and social inclusion renders development unsustainable in the long term.

Current data further shows that 90% of IGPs are limited to traditional product sales (sago-based foods, woven crafts), with only 10% allocated to innovative sectors: art workshops (5%), Islamic tourism packages (3%), and educational bazaars (2%). This lack of diversification limits the multiplier effect of cultural economies. From an Islamic perspective, Al-Ghazali emphasizes that wealth must be directed toward societal benefit: “Wealth is not sought for its own sake, but as a means to achieve benefits in this world and the hereafter.”

To actualize *falāḥ*, development must not only raise incomes but also nurture spiritual, educational, and cultural growth. Hence, policymakers should explore new festival-based programs such as halal food expos, Islamic art residencies, and Quranic literacy tents, which integrate cultural authenticity with spiritual enrichment.¹⁹

This study proposes a four-pillar model for inclusive and sharia-compliant cultural festival development. The first pillar is Shura-Based Governance, which emphasizes inclusive and participatory decision-making. It advocates the formation of participatory councils involving traditional leaders, youth representatives, and women to collaboratively plan,²⁰ design, and evaluate festival activities. This ensures that the festival reflects the aspirations and values of the entire community, in line with the Quranic directive on consultation (*shura*).²¹

The second pillar is *Maqāsid*-Oriented Policy Formulation, which aligns festival programs with the higher objectives of Islamic law, namely *ḥifz al-māl* (protection of wealth), *ḥifz al-‘aql* (protection of intellect), and *ḥifz al-naḥs* (protection of life). Through this lens, policies are designed to ensure fair distribution of economic benefits, promote educational engagement, and uphold safety and dignity for all participants. These values offer a holistic benchmark for ethical policy-making within cultural settings.

The third pillar involves Ethical Multi-Stakeholder Partnerships, in which collaboration between government institutions, private sector actors, and indigenous community cooperatives is fostered based on principles of justice and shared benefit. Islamic contract models such as *muḍārabah* (profit-sharing) and *mushārah* (joint venture) are encouraged to avoid exploitative practices while promoting mutual growth. This fosters an economic ecosystem that is both sustainable and spiritually accountable.

The fourth pillar is Integrated MSME Development, focusing on the empowerment of local micro, small, and medium enterprises (MSMEs). Support mechanisms include access to Islamic microfinance, Halal certification, branding and marketing training, and digital literacy programs. These initiatives enable MSMEs to grow, innovate, and tap into wider markets while preserving their cultural authenticity and complying with Islamic ethical standards.

¹⁹ Nor, Fadzilah Mat, and Mohd Nazri Muhamad. “Islamic Cultural Tourism Development: Empowering Local Communities in Malaysia.” *Journal of Islamic Marketing* 12, no. 8 (2021): 1445–1464. <https://doi.org/10.1108/JIMA-08-2020-0234>.

²⁰ Khan, Hina, et al. “Waqf-Based Economic Empowerment through Islamic Festivals: Evidence from Community Enterprises in Pakistan.” *International Review of Economics & Finance* 78 (2022): 113–126. <https://doi.org/10.1016/j.iref.2021.12.008>.

²¹ Trupp, Alexander. “Ethnic Tourism in Southeast Asia: A Review of Recent Research.” *ASEAS – Austrian Journal of South-East Asian Studies* 11, no. 2 (2018): 181–200. <https://doi.org/10.14764/10.ASEAS-2018.2-4>.

Taken together, this conceptual model transforms cultural festivals from passive and consumptive events into active platforms for Islamic economic empowerment. This approach aligns with the view of classical Muslim thinkers like *Ibn Khaldun*, who emphasized that “the strength of a society lies in the cohesion of its people and their economic interdependence.” In this context, the festival becomes a symbol of not only heritage preservation but also socio-economic transformation.

This study expands the application of Islamic economic principles beyond the usual domains of banking, zakat, or waqf. By incorporating *maqāsid al-sharī‘ah* into the festival setting, it introduces a new dimension of Islamic socio-economic practice—one that integrates cultural activities with ethical, community-centered economic models. This represents a novelty in current academic literature and offers a new conceptual path for scholars of Islamic economics.

The proposed model offers a replicable blueprint for other regions facing similar socio-economic conditions. Areas in Eastern Indonesia, Malaysia, and across the Muslim world that are rich in culture but economically underdeveloped can adopt this framework to promote ethical, inclusive, and sustainable development. By merging cultural tourism with sharia economics, governments and stakeholders can formulate development programs that uphold dignity, foster creativity, and deliver real benefits to local populations.

Recent international studies affirm the relevance and effectiveness of this model. Nor and Muhamad found that Islamic cultural tourism in Malaysia contributed up to 35% of GDP in the creative economy when rooted in participatory governance and community-based initiatives.²² Likewise, Khan et al. revealed that waqf-funded Islamic festival initiatives in Pakistan enhanced local employment by 22% within just two years. These cases highlight how embedding Islamic principles in cultural programming can yield both economic empowerment and social cohesion.²³

The synergy between sharia values and cultural innovation offers a compelling foundation for transforming traditional festivals into instruments of inclusive growth. It confirms that with the right framework, cultural events like the Lake Sentani Festival can evolve into strategic drivers of empowerment for indigenous communities within an Islamic economic framework.

Conclusion

This study demonstrates that cultural festivals, particularly the Lake Sentani Festival (LSF), hold substantial potential as platforms for Islamic economic empowerment among indigenous communities in Jayapura, Papua. However, empirical evidence gathered through this research indicates a significant gap between potential and practice. Only 20% of indigenous community members are actively engaged in income-generating activities during the festival, reflecting a serious challenge to achieving inclusive participation. Furthermore, economic activities remain heavily concentrated on traditional product sales, accounting for 90% of total festival commerce, with minimal engagement in innovative and diversified sectors such as Islamic tourism and educational bazaars. Grounded in the principles of *maqasid al-shariah*, reveals that the current structure of the festival only partially aligns with the objectives of Islamic economics—particularly in terms of distributive

²² Nor, Fadzilah Mat, and Mohd Nazri Muhamad. “Islamic Cultural Tourism Development: Empowering Local Communities in Malaysia.” *Journal of Islamic Marketing* 12, no. 8 (2021): 1445–1464. <https://doi.org/10.1108/JIMA-08-2020-0234>.

²³ Khan, Hina, et al. “Waqf-Based Economic Empowerment through Islamic Festivals: Evidence from Community Enterprises in Pakistan.” *International Review of Economics & Finance* 78 (2022): 113–126. <https://doi.org/10.1016/j.iref.2021.12.008>.

justice (*al-'adl*), mutual cooperation (*ta'āwun*), and holistic prosperity (*falāh*). The dominance of economic outcomes (70%) over social outcomes (30%) further underscores the imbalance that needs correction through inclusive strategies. This study expands the discourse of Islamic economics by situating cultural festivals as valid and necessary instruments for economic justice, thereby bridging the gap between community-based cultural heritage and Islamic financial principles. It contributes to the literature by proposing a four-pillar sharia-based conceptual model—*shura*-based governance, *maqāsid*-oriented policy, ethical multi-stakeholder partnerships, and integrated MSME development—providing a framework for ethical, sustainable, and inclusive economic development.

The findings offer actionable recommendations for local governments, policymakers, and cultural organizers. These include establishing inclusive governance structures, increasing access to Islamic microfinance, integrating local values into tourism programming, and expanding training programs to empower indigenous MSMEs. The proposed model is adaptable and replicable in other regions with similar socio-economic challenges, making it not only contextually relevant for Papua but also broadly applicable across the Muslim world. This study offers practical implications for local policymakers and contributes to the framework of Islamic economic empowerment through cultural initiatives. It affirms that cultural festivals, when strategically guided by sharia principles, can evolve into instruments of not just celebration but transformation—serving as vehicles for equity, empowerment, and sustainable prosperity.

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