

The Essence of Rationality Concept in Contracting Islamic Economics Business

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Abstract. *This research aims to know the paradigm of sharia economic business contracting activities carried out by humans as God's caliphs on earth should be carried out in good faith and understand the concept of contractual rationality and the obligation to help each other in carrying out Islamic economic activities which aim, among other things, to worship Allah SWT. Humans are ordered to believe in the Day of Judgment, because all the behavior of human economic activities will be controlled and he is aware that all his actions will be held accountable later by Allah SWT. In the matter of contracting/agreements, Islam provides guidelines as stated in the letter Al Isra'(17) verse 34 which means: "And fulfill the promise, in fact the promise must be held accountable". The approach method used in this paper is the normative juridical approach. Normative juridical legal research is legal research carried out by examining the law legally as it is according to library materials or secondary data obtained and related to the material being studied. Secondary data is meant to collect data by means of library research in order to obtain a theoretical basis, which is grouped into 3 (three) legal materials, namely 1) primary legal materials, 2) Secondary legal materials. 3) Tertiary Legal Materials, namely legal materials that are supporting in nature to be able to provide instructions and explanations for primary and secondary legal materials. The purpose of discussing the article with the title Essence of the Concept of Rationality in Shari'ah economic business contracts is to reveal the very essence of how Islam provide a compass direction and solutions for various economic business contracting activities that are faced by humans in general, so that they get a handle on the boundaries of halal and haram related to the values contained in the teachings of Islam itself ; including the birth of a contract in a sharia economic business which is the main guide in contracting sharia economic business, therefore an actor in a sharia economic business contract must understand the concept of rationality in contracting sharia economic business, universally aiming to achieve mashlahah and or falah.*

Keywords: Economy; Essence; Maslahah; Rationality.

1. INTRODUCTION

The Unitary State of the Republic of Indonesia is a legal state based on Pancasila and the 1945 Constitution of the Republic of Indonesia, aiming to realize an orderly, clean, prosperous¹ and just life order for the nation, state and society.²

Sharia economic business can also be called Islamic economic business. Islamic economics has actually emerged since Islam was born. In essence, Islamic economics is a branch of science that seeks to view, analyze, and finally solve economic problems in Islamic ways. What is meant by Islamic methods are methods that are based on the teachings of the Islamic religion, namely the Qur'an and the Sunnah of the Prophet Muhammad SAW.³

In economic contracting activities, good faith and propriety are absolutely necessary as a moral standard of ethics in business because ethics is a reflection of morality, where ethics intends to encourage people to act in accordance with morality, and ethics intends to upload human consciousness to act freely and responsibly.⁴

Islamic economics is one type of economic system that is currently developing in the world, especially countries with a majority Muslim population. The application of sharia economics as a system is based on Islamic values originating from the Al-Qur'an and hadith. The development of the Islamic economic system so far has been followed by the emergence of the thoughts of many experts, especially from Muslim circles, regarding this field. Therefore, in terms of understanding Islamic economics, a number of experts have also offered various definitions.

During this time, Islamic economics is also often referred to as sharia economics. Both terms refer to the same meaning and differ only in the usage of the word. Quoting the book *Concept of Economics (2020)* published by the Ministry of Education and Culture, the notion of Islamic

¹ Binov Handitya, Redesign The Relevance Of Justice In Debtor Protection Related To Parate Executions Performed By Separate Creditors In Liability Agreements, *Jurnal Akta*, Volume 8 No. 4, December 2021;

²General Explanation of Roman Numerals I Act No. 3 of 2006 First Amendment of Act No. 7 of 1989.

³Pusat Pengkajian dan Pengembangan Ekonomi Islam (P3EI), UII Yogyakarta Bekerja sama dengan Bank Indonesia, *Ekonomi Islam*, Jakarta: PT. Raja Grafindo Persada, Ed. 1, Ed. 1, 2008, p. 16-17.

⁴Tami Rusli, :, *Asas Kebebasan Berkontrak sebagai Dasar Perkembangan Perjanjian Di Indonesia*, *Jurnal Ilmu Hukum "Pranata hukum"*, Program Studi Magister Ilmu Hukum, Program Pasca sarjana, Universitas Bandar Lampung, Volume 10 Nomor 1 Januari 2015, hal. 25.

economics or sharia economics in general is a science that studies human behavior in an effort to fulfill life's needs based on sharia/divine values⁵.

In the following, the meaning of Islamic economics (sharia economics) according to experts in this field⁶:

1. Yusuf Qaradawi As quoted from the book *The Concept of Economics* (2020), Yusuf Qaradawi formulates the notion of Islamic economics (sharia economics) is an economy based on divinity.

2. Veithzal Rivai and Andi Buchari Referring back to the book above, Veithzal Rivai and Andi Buchari argue that the notion of Islamic economics (sharia economics) is a multidimensional or interdisciplinary science, comprehensive and mutually integrated, originating from the Qur'an and Sunnah as well as other sciences.

3. Moh. Abdul Mannan Still quoted from the same book, Muhammad Abdul Mannan defines Islamic economics (sharia economics) is a social science that studies the economy of people who adhere to sharia values. Meanwhile, in the book *Islamic Economics: Theory and Practice*, the definition put forward by Muhammad Abdul Mannan, more precisely, Islamic economics is a social science that studies economic problems inspired by Islamic values.

4. Khursid Ahmad Khursid Ahmad in his book *Studies in Islamic Economics (Perspectives of Islam)* conveys an explanation that Islamic Economics is a systematic effort to understand economic problems and human behavior relationally in an Islamic perspective.

5. Muhammad Nejatullah al-Siddiqi Muhammad Nejatullah al-Siddiqi, as quoted in the book *Basic Principles of Islamic Economics Maqashid Al-Syariah* (2014: 6) by Ika Yunia and Abdul Kadir, states that the notion of sharia economics is the way of Muslims in dealing with economics⁷.

When implementing Islamic economics, Muslims use the Al-Quran, Sunnah, reason, and their experience as a reference. As explained in the book *Understanding the Economy* (2018), the Islamic economic system refers to activities within the scope of the economy related to production,

⁵ Didi Sukardi, *The Legal Responsibility Of Debtor To Payment Curators In Bankruptcy Situation*, *Jurnal Pembaharuan Hukum*, Volume 8, Number 2, August 2021;

⁶ Doni Budiono, *Analisis Pengaturan Hukum Acara Kepailitan Dan Penundaan Kewajiban Pembayaran Utang*, *JHAPER*: Vol. 4, No. 2, July – December 2018;

⁷ Gregorius Yoga Panji Asmara, *Protection Relevance of the Execution of Separatic Creditors Based on Pancasila Justice*, *Jurnal Akta*, Volume 8 No. 1, March 2021;

distribution, finance, industry and trade, related to material goods or services, and based on Islamic law⁸.

In principle, Islamic economics is a representation of a middle ground between the capitalist economic system and the socialist economic system. Therefore, the Islamic economic system applies the good principles of the two economic systems, and removes the bad sides of both. What Are the Goals of Islamic Economics? The main objective of the sharia economic system (Islamic economy) is aligned with the objectives of implementing Islamic religious law, namely to achieve a good and honorable order so as to create happiness in the world and the hereafter⁹. This shows that economic problems are also a concern in Islam.

According to Muhammad Abu Zahra, as noted in the book *Understanding Economics* (2018), there are three main goals that are the goal of sharia economics, namely: Every Muslim is a source of good for society and their environment as well as in the form of purification of the soul. Enforcement of justice in society covers the fields of law and muamalah. Achieved the safety of religious belief, soul, mind, family and offspring, as well as property.

As for quoting the presentation in the book *Concept of Economics* (2020) published by the Ministry of Education and Culture, there are 4 objectives of Islamic economics (sharia economics)¹⁰, namely as follows: A good economy within the framework of Islamic moral norms Brotherhood and universal welfare Equal income distribution Independence from individuals in the context of social welfare. Principles of Islamic Economics As both a science and a system, Islamic Economics takes a middle path between capitalist and socialist economies. The last two systems contradict each other in the modern world. However, both systems also have advantages and disadvantages. The positive aspects of both are taken in the application of the Islamic economic system which takes the main footing of the values in the Qur'an and hadith. Because it is based on Islamic values, in Islamic Economics there are distinctive principles that do not exist in a capitalist or socialist economic system¹¹.

⁸ I Ketut Gde Swara Siddhi Yatna, Ni Putu Purwanti, Perbandingan Hukum Negara Indonesia Dengan Hukum Negara Belanda Dalam Penyelesaian Perkara Sisa Hutang Debitor Pailit, *ACTA COMITAS*, Vol 5 No 2 August 2020;

⁹ Irianto, C, Penerapan Asas Kelangsungan Usaha Dalam Penyelesaian Perkara Kepailitan Dan Penundaan Kewajiban Pembayaran Utang (PKPU), *Jurnal Hukum dan Peradilan*, Vol 4 No 3 2015;

¹⁰ Theresia Anita Christiani, Legal Analysis of Bankruptcy in The Perspective of Legal Purposes, *Jurnal Pembaharuan Hukum*, Volume 8, Number 1, April 2021;

¹¹ Izzy Al Kautsar, Danang Wahyu Muhammad, Urgensi Pembaharuan Asas-Asas Hukum Pada Undang-Undang No 37 Tahun 2004 Berdasarkan Teori Keadilan Distributif, *Jurnal Panorama Hukum*, Vol. 5 No. 2 December 2020;

Quoting the Economics module (2018) published by the Ministry of Education and Culture, there are 5 principles of Islamic Economics. The following is a list of 6 Islamic economic principles along with their explanations: 1. Maisyir Prohibition: Do not allow gambling in their economic life. 2. Prohibition of Gharar (fraud): Do not allow transactions and the like to take place that are deceptive to others. 3. Prohibition of Haram: Do not allow goods that are obtained in an unsavory way or transactions in goods that are prohibited in Islam. 4. Prohibition of Zalim: Prohibition of anything that is harmful to others. 5. Prohibition of Ikhtikar: There is no hoarding of goods which will harm other parties and only benefit the hoarder. 6. Prohibition of Riba: No additional funds are allowed for transactions, unless those who give the extra money are sincere.

2. RESEARCH METHODS

The research approach method used in this paper is the normative juridical method, which is a legal research carried out by examining the law in a juridical manner according to library materials or secondary data obtained and related to the material being studied.¹² *Secondary* data is meant to collect data by means of library research in order to obtain a theoretical basis, which is grouped into 3 (three) legal materials, namely 1) *primary* legal materials, which consist of Act No. 7 of 1989 concerning Religious Courts which was first amended by Act No. 3 of 2006 and the second amendment to Act No. 50 of 2009 and Perma No. 2 of 2008 concerning the Compilation of Sharia Economic Law (KHES). 2) *Secondary legal materials*, namely materials that can explain the *primary legal materials*. In this case, it consists of the results of research by experts and the work of legal experts, such as books in the records foot. 3) *Tertiary Legal Materials*, namely legal materials that are supporting in nature to be able to provide instructions and explanations for *primary* and *secondary* legal materials, such as general dictionaries, legal dictionaries, scientific journals, the internet, and papers related to the object of research.¹³

3. RESULTS AND DISCUSSION

3.1. Basic of Islamic Economics

A. The Meaning of Islamic Economics

Islamic economics is one type of economic system that is currently developing in the world, especially countries with a majority Muslim population. The application of Islamic economics as a system is based on

¹²Soerjono Soekanto & Sri Mamudji, *Penelitian Hukum Normatif: Suatu Tinjauan Singkat*, PT. Raja Grafindo Persada, Jakarta, 2003, p. 13.

¹³Trubus Wahyudi, *Ideal Reconstruction in Making Wills Before a Notary in the Perspective of Islamic Law*, Dissertation, defended in an open examination on April 5, 2016 to obtain a Doctorate in Legal Studies at PDIH FH Unissula Semarang, p. 38.

Islamic values originating from the Al-Qur'an and hadith. The development of the Islamic economic system so far has been followed by the emergence of the thoughts of many experts, especially from Muslim circles, regarding this field. Therefore, in terms of understanding Islamic economics¹⁴, a number of experts have also offered various definitions¹⁵.

During this time, Islamic economics is also often referred to as sharia economics. Both terms refer to the same meaning and differ only in the usage of the word. Quoting the book *Concept of Economics (2020)* published by the Ministry of Education and Culture, the notion of Islamic economics or sharia¹⁶ economics in general is a science that studies human behavior in an effort to fulfill life's needs based on sharia/divine values¹⁷.

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¹⁴ John C. McCoid, Discharge: The Most Important Development in Bankruptcy History, *American Bankruptcy Law Journal*, Vol 70, No. 2 (1996);

¹⁵"What is Islamic Economics and Its Purpose: Understanding According to Experts", <https://tirto.id/gik3>

¹⁶ Maria Gabrielle Janice Angelie Siregar, Eksekusi Jaminan Dalam Kepailitan Pada Kreditor Separatis Ketika Ditangani Oleh Kurator, *Jurist-Diction Law Journal*, Volume 1 No. 2, November 2018;

¹⁷ Niru Anita Sinaga, Nunuk Sulisrudatin, Hukum Kepailitan dan Permasalahannya di Indonesia, *Jurnal Ilmiah Hukum Dirgantara*, Volume 7 No. 1, September 2016;

Syariah (2014: 6) by Ika Yunia and Abdul Kadir, states that the notion of sharia economics is the way of Muslims in dealing with economics.

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In principle, Islamic economics is a representation of a middle ground between the capitalist economic system and the socialist economic system. Therefore, the Islamic economic system applies the good principles of the two economic systems, and removes the bad sides of both. What Are the Goals of Islamic Economics? The main objective of the sharia economic system (Islamic economy) is aligned with the objectives of implementing Islamic religious law, namely to achieve a good and honorable order so as to create happiness in the world and the hereafter. This shows that economic problems are also a concern in Islam.

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¹⁸ Serlika Aprita, Penerapan "Asas Keadilan" Dalam Hukum Kepailitan Sebagai Perwujudan Perlindungan Hukum Bagi Debitor, *Jurnal Hukum Media Bhakti*, Vol.3, No.1, June 2019;

Haram: Do not allow goods that are obtained in an unsavory way or transactions in goods that are prohibited in Islam. 4. Prohibition of Zalim: Prohibition of anything that is harmful to others. 5. Prohibition of Iktikar: There is no hoarding of goods which will harm other parties and only benefit the hoarder. 6. Prohibition of Riba: No additional funds are allowed for transactions.¹⁹

B. Definition of Business

In general, business is defined as an activity carried out by humans to earn income or income or rizki in order to fulfill their needs and desires in life by managing economic resources effectively and efficiently.²⁰ Skinner defines business as a mutually beneficial exchange of goods, services, or money. According to Anoraga and Soegiastuti, business has a basic meaning as "the buying and selling of goods and services". As for Straub and Attner's view, business is an organization that carries out production and sales activities of goods and services desired by consumers to obtain profit.²¹

As for Islam, business can be understood as a series of business activities in its various forms which are not limited by the amount (quantity) of ownership of assets (goods/services) including profit, but limited in the manner in which assets are acquired and utilized (there are lawful and unlawful rules).²²

The understanding above can be explained that Islam requires every Muslim, especially those who have dependents to work. Work is one of the main causes that allows humans to have wealth. To make it possible for humans to try to make a living, Allah SWT widens the earth and provides various facilities that can be used to earn sustenance²³.

C. Basic Business Law in Islam

The basics of business law in Islam are found in the Qur'an, including:

1. Surah An-Nisa' : 29

Meaning: "O you who believe, do not eat each other's wealth in a vanity way, except by way of trade that applies with mutual consent between you. and do not kill yourselves; Verily Allah is Most Merciful to you."

2. At-Tauba : 24

¹⁹ Sobandi, The Issue of the Commercial Court Limited Competency in Settling the Commercial Disputes, *Sriwijaya Law Review*, Vol. 3 Issue 1, January (2019);

²⁰Muslich, Islamic Business Ethics; Philosophical Foundation, Normative, and Substance Implementative, (Yogyakarta: Ekonisia Faculty of Economics, UII, 2004), h. 46.

²¹Muhammad Ismail Yusanto and Muhammad Karebet Widjajakusuma, Initiating Islamic Business, (Jakarta: Gema Insani Press, 2002), h. 15.

²²*Ibid*,p.18.

²³ Sonyendah Retnaningsih, Perlindungan Hukum terhadap Debitor Pailit Individu dalam Penyelesaian Perkara Kepailitan di Indonesia, *ADHAPER*, Vol. 3, No. 1, January-June 2017;

Meaning: "Say: "If your fathers, children, brothers, wives, clans of your kind, the wealth you have earned, the trades you are afraid of losing, and the place of residence you like, is what you love more than Allah and His Messenger and from jihad in His way, so wait until Allah brings His decision." and Allah does not guide the wicked."

3. An-Nur : 37

Meaning: "men who are not neglected by commerce and not (nor) by buying and selling from remembering Allah, and (from) establishing prayers, and (from) paying zakat. they fear a day when (on that day) their hearts and eyes will be shaken."

D. Business Ethics in Islamic Economy

1. Unity (*Tawhid*)

In this case, it is unity as reflected in the concept of monotheism which integrates all aspects of Muslim life both in the economic, political and social fields into a homogeneous whole, and emphasizes the overall concept of consistency and order.

From this concept, Islam offers religious, economic and social integration in order to form unity. It is also on the basis of this view that ethics and business become integrated, vertically and horizontally, forming a very important equation in the Islamic system.

2. Balance (Equilibrium / Fair)

Islam strongly recommends doing business fairly, and forbids cheating or being unjust. The Messenger of Allah was sent by Allah to establish justice. A big accident for people who cheat, namely people who when they receive a measure from someone else ask to be fulfilled, while when measuring or weighing for someone it is always reduced²⁴.

Cheating in business is a sign of the destruction of the business, because the key to business success is trust. The Qur'an commands Muslims to weigh and measure in the right way and not to commit fraud in the form of reducing measurements and weights.

3. Free Will

Freedom is an important part of the ethical values of Islamic business, but this freedom does not harm collective interests. Individual interests are wide open. There is no income limit for someone to encourage people to actively work and work with all the potential they have.

The human tendency to continuously fulfill his unlimited personal needs is controlled by the obligation of each individual to his community through zakat, infaq and alms.

²⁴ Sumurung P. Simaremare, Bismar Nasution.etc, Legal Politics of Delay Terms Debt Payment Obligations in Indonesia, *Jurnal Ius Constituendum*, Volume 6 No. 2 April 2021;

4. Responsibility

Unlimited freedom is something that is impossible for humans to do because it does not demand responsibility and accountability. To fulfill the demands of justice and unity, humans need to be accountable for their actions. Logically, this principle is closely related to free will. It sets limits on what humans are free to do by being responsible for all that they do.

5. Truth: benevolence and honesty

Truth in this context, in addition to containing the meaning of truth versus error, also contains two elements, namely virtue and honesty. In the business context, truth is meant as the right intention, attitude and behavior which includes the contract (transaction) process, the process of seeking or obtaining development commodities as well as the process of trying to gain or determine profits.

With this principle of truth, Islamic business ethics is very guarding and applies preventively against the possibility of loss to one of the parties conducting transactions, collaborations or agreements in business.²⁵

A. The Prophet's Guide to Business Ethics

Rasulullah SAW. provides a lot of guidance regarding business ethics, among which are:

1. That the essential principle in business is honesty. In Islamic doctrine, honesty is the most basic requirement in business activities. The Prophet was very intense in advocating honesty in business activities. In this case, he said "Who deceives us, then he is not our group" (HR Muslim). The Prophet himself was always honest in doing business. He forbade traders to put rotten goods on the bottom and new items on top.
2. Awareness about the social significance of business activities. According to Islam, business people do not only seek as much profit as possible, as taught by the father of capitalist economics, Adam Smith, but are also oriented towards ta'awun (helping others) as the social implications of business activities. Strictly speaking, doing business is not merely seeking material gain, but based on an awareness of making it easy for others by selling goods²⁶.
3. Do not commit perjury. The Prophet Muhammad was very intense about forbidding business people from committing perjury in conducting business transactions. The practice of perjury in current business activities is often carried out, because it can convince buyers, and in turn increases

²⁵ <http://habaget.com/makalah-etika-bisnis-dalam-ekonomi-islam/>, accessed on Monday 31-03-2014 at 21:30 WIB.

²⁶ Sutrisno, Legal Protection for Debtors over Separatist Creditors' Rights Related To Bankruptcy, *Jurnal Akta*, Volume 7 Issue 1, March 2020;

purchasing power or marketing. However, it must be realized, that even though the profits obtained are abundant, the results are not a blessing²⁷.

4. Courteous. A business person, must be friendly in doing business. Prophet Muhammad SAW said, "God bless someone who is friendly and tolerant in doing business" (HR Bukhari and Tarmizi).

5. Do not pretend to bid at a high price, so that other people are interested in buying at that price. The words of the Prophet Muhammad, "Do not do najsyah business (a certain buyer, colludes with a seller to increase prices, not with the intention of buying, but in order to attract other people to buy).

6. It is not permissible to badmouth other people's business, so that people buy into it. Prophet Muhammad SAW said, "Don't let anyone of you sell with the intention to disgrace what is being sold by other people" (HR Muttafaq 'alaih).

7. Not doing ihtikar. Ihtikar is (accumulating and storing goods for a certain period, with the aim that one day the price will rise and big profits will be obtained). The Prophet strictly forbade such business behavior.

8. The correct measure, size and weight. In trading, correct and precise scales must really take precedence.

9. Business should not interfere with the worship of Allah.

10. Pay wages before the sweat of the employees dries. The Prophet Muhammad SAW said, "Give wages to employees, before their sweat dries up." This hadith indicates that the payment of wages should not be delayed. Payment of wages must be in accordance with the work done.

11. No monopoly. One of the vices of the capitalist economic system is the legitimization of monopoly and oligopoly. A simple example is the exploitation (control) of certain individuals over social property rights, such as water, air and land and their contents such as minerals and minerals. These individuals make profits personally, without giving other people a chance. This is forbidden in Islam.

12. It is not permissible to do business in conditions where there is danger (harm) that can harm and damage individual and social life. For example, the prohibition on the arms business during times of political chaos. It is not permissible to sell halal goods, such as wine to liquor producers, because it is suspected that they process it into liquor. All of these forms of business are prohibited by Islam because they can damage the essence of social relations which must be maintained and paid close attention to.

13. The business commodities being sold are pure and lawful goods, not unclean goods, such as pork, dogs, liquor, ecstasy, etc. The Prophet Muhammad SAW said, "Indeed Allah forbids the business of alcohol, carrion, pigs and "statues" (HR Jabir).

²⁷ Syahriza Alkohir Anggoro, Politik Hukum: Mencari Sejumlah Penjelasan, *Jurnal Cakrawala Hukum*, Vol 10 No 1 2019;

14. Business is done voluntarily, without coercion.
15. Immediately pay off credit obligations. The Prophet praised a Muslim who has a serious concern in paying off his debts. The words of the Prophet SAW, "The best of you, is the one who pays his debts the soonest" (HR Hakim).
16. Give a grace period if the debtor (creditor) has not been able to pay. The words of the Prophet SAW, "Whoever suspends a person who has difficulty paying debts or releases him, Allah will give him shade under His shade on a day when there is no shade except His shade" (HR Muslim).
17. That the business is carried out clean from elements of usury. The Word of God, "O you who believe, leave the remnants of usury if you believe (QS. al-Baqarah: 278). Therefore Allah and His Messenger declared war on usury.

3.2. Business Orientation in Islam

Business in Islam aims to achieve four main things, namely (1) target results: material profit and non-material benefits, (2) growth, (3) sustainability, (4) blessing²⁸:

Target results: profit-material and benefit-non-material, meaning that business is not only to seek the highest possible profit (qimah madiyah or material values), but also must be able to obtain and provide non-material benefits (profits or benefits) to the company's internal and external (environment) organizations, such as creating an atmosphere of brotherhood, social care etc.

The *benefits*, What is meant is not only to provide material benefits, but also can be non-material. Islam views that the purpose of a deed is not only oriented towards qima madiyah. There are still three other orientations, namely qimah insaniyah, qimah khuluqiyah, and qimah ruhiyah. With qimah insaniyah, it means that managers are trying to provide humanitarian benefits through job opportunities, social assistance (alms), and other assistance. Qimah khuluqiyah, implies that noble moral values are a must that must appear in every business activity so as to create an Islamic fraternal relationship, not just a functional or professional relationship. Meanwhile qimah

Spirit means that activity is used as a medium to get closer to Allah SWT.

Growth, if material profits and non-material profits have been achieved, the company must strive to maintain growth so that it always increases. This improvement effort must also always be in the corridor of sharia, not justify any means.

²⁸ Syafrudin Makmur, Kepastian Hukum Kepailitan Bagi Kreditur dan Debitur Pada Pengadilan Niaga Indonesia, *Mizan; Jurnal Ilmu Syariah, FAI Universitas Ibn Khaldun (UIKA) BOGOR* Vol. 4 No. 2 (2016);

Sustainability, The targets that have been achieved with annual growth must be maintained so that the company can exist for a long time.

Blessing, all goals that have been achieved will mean nothing if there is no blessing in them. So Islamic business places blessing as its core goal, because it is a form of acceptance of all human activities. This blessing is proof that the business carried out by Muslim entrepreneurs has received the approval of Allah SWT, and is worth worship.²⁹

3.3. Objectives and Scope and Principles of Islamic Economic Financial Institutions

A. The Purpose of Contracting Sharia Economic Business

The purpose of a business contract in Islamic economics is to describe individual behavior that is guided by Islamic teachings, starting from determining life goals, how to view and analyze economic problems, as well as the principles and values that must be adhered to to achieve these goals. In contrast to Islamic economics, conventional economics only emphasizes analysis of economic problems and alternative solutions. In Islamic economics, it covers the economic behavior of humans who are conscious and trying to achieve *mashlahah* or *falah*, which is referred to as *homo Islamicus* or *Islamic man*.³⁰

B. Scope of Contracting Sharia Economic Business.

As for the scope of contracting sharia economic business is the Muslim community or the Muslim country itself, it contains the intention that the economic behavior of the Muslim community or country where Islamic values can be applied. In other words, the emphasis of Islamic economics is how Islam provides views and solutions to various economic problems faced by humans in general, also related to the values derived from the teachings of Islam itself, including the birth of a contract in a sharia economic business contract. Ah.³¹

C. Operational Principles and Characteristics of Islamic Financial Institutions. In its operations, Islamic Financial Institutions (LKSy.), are based on the following principles: 1) *Fairness*, namely profit sharing on the basis of real sales according to the contribution and risk of each party. 2) *Partnership*, which means the position of depositors (investors) and users of funds as well as LKSy. It is parallel as business partners who synergize with each other to gain profits. 3) *Transparency*, Islamic Financial Institutions will provide periodic and continuous financial reports so that

²⁹Muhammad Ismail Yusanto and Muhammad Karebet Widjajakusuma, *Initiating Islamic Business*, h. 18-20.

³⁰Center for the Study and Development of Islamic Economics (P3EI), *Op Cit*, p. 19.

³¹*Op-cit*, p. 18.

customers (investors) can monitor the condition of their funds. 4) *Universal*, which means that it does not discriminate against ethnicity, religion, race and class in society in accordance with Islamic principles.³² Broadly speaking, sharia financial institutions or sharia economic systems are mentioned in the Elucidation of Article 49 letter (i) of Act No. 3 of 2006 concerning Religious Courts, but also includes Baitul Maal Wattamwil (BMT), the Indonesian Takaful Syarikat, Sharia Capital Market, etc. (Abdul Manan, 2012: 7)³³

D. The essence of the Akad in the Sharia Economic Business contract.

In the general provisions of Article 20 No. 1 of the Sharia Economic Law Compilation (KHES) it is stated that "Akad is an agreement in an agreement between two or more parties to perform and or not to perform certain legal acts." The normative ³⁴application of the term *Akad* is stated in Act No. 21 of 2008 concerning Sharia Banking and Bank Indonesia Regulation No. 9/19/PBI/2007 concerning Implementation of Sharia Principles in Fundraising and Funding Distribution Activities as well as Sharia Bank Services and Compilation of Economic Laws Sharia (KHES) based on the Regulation of the Supreme Court of the Republic of Indonesia No. 2 of 2008.³⁵ The *contract* (engagement) in accordance with sharia principles is one that does not contain *gharar* (fraud), *maysir* (gambling), *usury*, *zhulum* (persecution), *riswah* (bribery), illicit goods, and immorality.³⁶

In Act No. 21 of 2008 concerning Sharia Banking with regard to the activities and businesses of Sharia Commercial Banks and Sharia Business Units, several types of contracts are recognized, including: *Wadi'ah contracts*, *mudharabah contracts*, *musyarakah contracts*, *murabahah contracts*, *salam contracts*, *istihna contracts*, *qardh contract*, *ijarah contract*, *ijarah muntahiya bittamlik contract*, *hawalah contract*, *kafalah contract*, and *wakalah contract* The standards or in doing business as stated above were not found by debtors in carrying out business activities. As a debtor made a subject in business. The debtor does not enjoy the

³²Trubus Wahyudi, *Penyelesaian Sengketa Lembaga Jasa Keuangan Syariah (IKNB Syariah) Dan Pasar Modal Syariah*, Paper, delivered in the implementation of the Sharia Finance Training of Trainer (ToT) by the Islamic Economics Study Program, Faculty of Economics and Business, Diponegoro University, Semarang in collaboration with Financial Services Authority (OJK), August 25, 2016. P. 4.

³³Prof. Dr. H. Abdul Manan, SH, SIP, M. Hum. *Mimbar Hukum dan Peradilan*, Edition No. 75, Th. 2012,, p. 7

³⁴Supreme Court of the Republic of Indonesia, Directorate General of Religious Courts, *Kompilasi Hukum Ekonomi Syariah (KHES)*, Revised Edition, 2011, p. 10.

³⁵Dr. Habib Adjie, SH, M. Hum, & Muhammad Hafidh, SH, M.Kn, *Akta Perbankan Syariah Yang Selaras Article 38 UUJN-P* Revised Edition, Semarang: Pustaka Zaman, Cet. I, 2014, p.22.

³⁶Trubus Wahyudi, *Akibat Hukum Perjanjian dalam Bisnis Ekonomi Syariah*. Journal of Legal Reform Vol. 7 No. 1 (2020). Journal of Legal Reform, Faculty of Law Unissula. P. 5.

freedom of contract as stated in the principle of freedom of contract, namely 1) The freedom of the parties to close or not to close the contract. 2) The freedom to determine with whom the parties will close the contract. 3) The freedom to determine the form of the contract. 4) The freedom to determine the contract. 5) Freedom to decide how to close the contract.³⁷ Therefore, in sharia economic business contracting activities, the contract that is carried out is very essential and very decisive in an agreement/agreement or contract that has been carried out based on Islamic law has worldly and hereafter consequences.³⁸

3.4. The Essence of the Concept of Rationality in Contracting Business Sharia Economics

The concept of rationality in contracting sharia business economics is an argument that must be understood and developed, as long as it complies with existing logical rules, and therefore can be accepted by reason, then in this case it can be considered as part of the expression of rationality.³⁹

The concept of rationality in contracting Islamic economic business is generally built on the basis of axioms formed from the teachings of Islam. Nevertheless, some of these axioms are general and universally applicable rules as well as the universality of Islam.

1. Every economic actor aims to get *mashlahah* ;
Mashlahah is all forms of circumstances, both material and non-material, which are able to increase the position of humans as the most noble creatures. ⁴⁰According to As-Shatibi, *the basic mashlahah* for human life consists of five things, namely religion (*deen*), soul (*nafs*), intellectual (*reason*), family and offspring (*nasl*), and material (*maal*).⁴¹
2. Every economic actor always tries not to waste it. (*non-wasting*). That to achieve a goal, a sacrifice is needed, but if the sacrifice is greater than the expected result, it can be ascertained that there has been a waste of resources. This behavior to prevent *wasting* is desired by every actor because the occurrence of waste means that there has been a reduction of the resources they have without compensation in the form of a balanced result.
3. Every economic actor always tries to minimize risk (*risk aversion*). Risk is something that is unpleasant and therefore causes a decrease in the

³⁷Tami Rusli, *The principle of freedom of contract as the basis for the development of agreements in Indonesia* (Article), Journal of Legal Studies, LAW INSTITUTION, Master of Law Study Program, Postgraduate Program, University of Bandar Lampung, Volume 10 Number 1 January 2015. ISSN 1907 -560X.

³⁸Muhammad Syafiii Antonio, Dr, M.Ec, *Islamic Banks From Theory to Practice*, Jakarta: Gema Insani, 2015, Cet. XXIII, p. 29.

³⁹ Abdul Manan, H. Prof. Dr, Drs, SH, S.IP, M.Hum, *Hukum Ekonomi Syariah Dalam Persepektif Kewenangan Peradilan Agama*, Jakarta: Prenada Media Group, Cet. I, 2012, p. 9

⁴⁰Pusat Pengkajian dan Pengembangan Ekonomi Islam (P3EI) (P3EI) Op Cit, p. 5.

⁴¹Al Syatibi, *Al Muwafaqat fi Usul al Shari'ah*, (Beirut Dar Al-Kutub al-Ilmiyah, t. th. Juz II) p. 98.

accepted *mashlahah*. This is a consequence of the axioms of *monotonicity* and *quasi-concavity*. However, not all risks can be avoided or eliminated. Only *anticipated risks* can be avoided or minimized. There are also risks that everyone is willing to bear, out of consideration for the greater *maslahah* ;

4. Every economic actor is likely to be faced with a situation of uncertainty.

In conditions of uncertainty can reduce *mashlahah* accepted. Therefore, a lot of uncertainty is identified with the risk itself, or uncertainty is considered as a *dual* of risk. Thus, an atmosphere of uncertainty is also considered an atmosphere that can reduce the value of *mashlahah*.⁴²

Some axioms of rationality in contracting Islamic economic business as described are universal, but there are also other axioms that must be believed, including: *First*: There is life after death. In Islam, death is not the end of life but the beginning of a new life (in the realm of *barzah*).⁴³

Second: The afterlife is the end of revenge for life in this world. Life after death, it is believed, is not a new life apart from life in the world, but a continuation of life in the world. *Third*: The perfect source of information is only the Qur'an and the Sunnah. Islam teaches that Allah SWT has complemented human weaknesses by providing information and instructions that can be used throughout the ages. This information is contained in the Qur'an which contains the words of Allah and the Sunnah of the Prophet Muhammad SAW. ⁴⁴Therefore, the *mashlahah* that will be received at the end of the day is a reciprocal function of life in this world.⁴⁵

4. CONCLUSION

In the activity of contracting Islamic economic business or Islamic economic business, the *contract* made is very essential and very decisive in an agreement/agreement that has been carried out; because the contract is based on Islamic law have worldly and hereafter consequences. In a sharia economic business contract, one must understand the essence of the concept of rationality in a sharia economic business contract, in addition to aiming to get *mashlahah* or *falah*, but also must adhere to the axiom of life after death, so that there is an effort to harmonize provisions for life in the world and provisions for the hereafter. There is a belief in life after death, and the afterlife is the end of revenge for life in this world. And must believe that the perfect source of information is only the Qur'an and the Sunnah.

⁴²Center for the Study and Development of Islamic Economics, Loc City, p. 29 – 30.

⁴³See the Qur'an Surah Al A'raf (7) verse 43.

⁴⁴Center for the Study and Development of Islamic Economics (P3EI), loc Cit. page 31.

⁴⁵Ibid, p. 31.

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