

## Analysis of Islamic Law on Cooperation Agreements in Micro, Small, and Medium Enterprises

Reliyanti<sup>1</sup>, Kurniawan<sup>2</sup>

<sup>1</sup>Institut Islam Al-Mujaddid Sabak Tanjung Jabung Timur, Indonesia

<sup>2</sup>Institut Islam Al-Mujaddid Sabak Tanjung Jabung Timur, Indonesia

\*Correspondent Author: [reliyanti20@gmail.com](mailto:reliyanti20@gmail.com)

### Article Info:

Article history: Accepted, 10/09/2024, | Revision, 20/10/2024, | Published, 01/11/2024, | Vol (1), Issue (2), (Nov. 2024)  
e-ISSN 3063 – 8933 | doi: <https://doi.org/10.61233/zijs.v1i2.10>

### Abstract:

The cooperation contract (akad) in Micro, Small, and Medium Enterprises (MSMEs) plays an important role in boosting the community's economy. From the perspective of Islamic law, cooperation contracts must adhere to Sharia principles such as justice, honesty, and transparency. This study aims to analyze the compliance of cooperation contracts in MSMEs with Islamic law, focusing on contracts such as mudharabah, musyarakah, and wakalah. The research method used is a literature study and normative juridical analysis. The findings show that most cooperation contracts in MSMEs comply with Islamic law principles, although challenges remain in implementation, particularly regarding transparency and profit-sharing. This study provides recommendations to enhance MSME actors' understanding of Sharia contracts to increase business blessings. Additionally, the study highlights the importance of Sharia supervision in ensuring that contracts remain within the framework of Islamic law. It was found that continuous education on Sharia contracts can minimize the risk of non-compliance in business practices. The research also emphasizes the need for local regulatory adaptation to align with Sharia principles. The results are expected to serve as a reference for policymakers in strengthening the Sharia-based legal framework for MSMEs. Finally, this study asserts that the success of Sharia cooperation contracts is measured not only by economic gains but also by social blessings.

### Keywords:

*Islamic Law, Cooperation Contracts, MSMEs, Mudharabah, Musyarakah, Wakalah.*



This work is licensed under a [Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-nc-sa/4.0/).

## INTRODUCTION

Micro, Small and Medium Enterprises are economic sectors that have a significant contribution to the national economy (Yolanda 2024). In Indonesia, MSMEs contribute more than 60% to the Gross Domestic Product (GDP) and absorb a large number of workers (Wati et al. 2024). The existence of MSMEs not only strengthens the economic foundation of the community, but also plays a role in creating new jobs and reducing the unemployment rate. With its strategic role, strengthening the MSME sector is one of the priorities in various national economic policies. Many MSMEs face various challenges, especially in terms of capital and business management (Yunus 2021). Limited access to formal financing is often a major obstacle for MSMEs to develop (Habib and Sutopo 2024). This is where the role of cooperation contracts in the sharia economy becomes relevant. In Islamic Law, a cooperation agreement offers a capital solution that is not only based on

economic benefits alone, but also pays attention to aspects of justice and business blessings (Ompusunggu and Sinurat 2023).

The principles in Islamic Law, such as justice, honesty, and transparency, are the main foundation in every economic transaction (Pusvisasari, Bisri, and Suntana 2023). In contrast to conventional systems that tend to be interest-based (usury), Islamic economics emphasizes partnerships and risk-sharing (Djamil 2023). Contracts such as *mudharabah*, *musyarakah*, and *wakalah* provide a fairer financing alternative for MSMEs (Prayoga, Isima, and Ibrahim 2023). This concept is in line with Islamic values that not only prioritize material gains but also positive social impacts. *Mudharabah*, for example, is a cooperation contract between the owner of the capital (*shahibul maal*) and the business manager (*mudharib*), in which the profits are divided according to the initial agreement, while the losses are borne by the owner of the capital except for the negligence of the manager (Damanik 2024). This contract is perfect for MSMEs that need capital injections without the pressure of fixed interest returns. Meanwhile, *musharakah* is a contract in which two or more parties combine capital and effort to share profits and risks proportionately. This agreement provides flexibility in joint business management.

*Wakalah* is a representative contract where a person gives authority to another party to perform certain actions in accordance with sharia. In the context of MSMEs, *wakalah* is often used in trade transactions or business management with third parties. The combination of these three contracts provides a variety of options for MSME actors in developing their businesses according to sharia principles. Although these concepts have great potential, their implementation on the ground still faces various obstacles (Ningsih et al. 2024; Solekha, Purwati, and Nurkolis 2024). Not all MSME actors understand the mechanism of sharia contracts in depth. In addition, the lack of assistance and supervision in the implementation of the contract often causes deviations from sharia principles. Another challenge is the lack of education about the benefits and procedures of sharia cooperation contracts, both for business actors and financial institutions.

The absence of adequate sharia supervision is also an important issue in ensuring the conformity of cooperation agreements with Islamic Law. Several studies show that although sharia contracts have been introduced to MSMEs, there are still concerns about transparency in financial reporting and profit sharing (Muqorobin et al. 2024). This shows the need to improve the aspects of Islamic financial education and literacy, as well as the active role of Islamic financial institutions in providing assistance to MSMEs. The adaptation of local regulations to sharia principles is also the key to the successful implementation of cooperation contracts in MSMEs (Adinugraha and Sartika 2020). Regulations that support the effective implementation of sharia contracts will provide legal certainty for business actors. This will also strengthen the sharia economic ecosystem at the national level, creating a more conducive business climate for MSMEs.

This study aims to analyze the suitability of cooperation contracts in MSMEs with Islamic Law, focusing on contracts such as *mudharabah*, *musyarakah*, and *wakalah* (Sunaryono et al. n.d.). The research methods used are literature studies and normative juridical analysis. This analysis is expected to provide a comprehensive overview of the implementation of sharia contracts in MSMEs and identify existing challenges and opportunities.

Through this research, it is hoped that it can contribute to the development of a more sustainable sharia-based MSME sector. The resulting recommendations are not only aimed at MSME actors, but also for policymakers and Islamic financial institutions. Thus, the results of this research are expected to be able to be a reference in creating a business ecosystem that is not only economically profitable but also full of blessings. In the end, the implementation of a good sharia cooperation contract will not only improve the economic welfare of the community but also strengthen social and spiritual values in community life. With the right approach, the MSME sector can become an economic driving force that is not only fair but also a blessing for all parties involved.

## **METHOD**

The research method used in this study is a normative juridical approach with a literature study method (Zainuddin and Karina 2023). The normative juridical approach was chosen because this study focuses on analyzing the suitability of the practice of cooperation contracts in MSMEs with the principles of Islamic Law. The research data was collected through a literature review that included various authoritative sources, including classical and contemporary fiqh books, relevant scientific journals, reference books, as well as regulations and policies related to MSMEs and the sharia economy in Indonesia.

In addition, this study also utilizes secondary data sources from the fatwas of the National Sharia Council (DSN-MUI) and guidelines from Islamic financial authorities, such as the Financial Services Authority (OJK) and Bank Indonesia. This data collection technique aims to obtain a comprehensive overview of the concept and implementation of sharia contracts, especially mudharabah, musyarakah, and wakalah in the context of MSMEs. The data analysis process is carried out qualitatively using a comparative method, namely comparing the real practice of cooperation contracts in MSMEs with the principles of Islamic Law. This analysis includes the identification of suitability, challenges faced, and opportunities in the implementation of sharia contracts in the MSME sector. The results of this analysis process are then systematically compiled to provide applicable recommendations for MSME actors and policymakers in increasing sharia compliance and blessings in business.

## **RESULTS AND DISCUSSION**

This research reveals that the implementation of sharia cooperation contracts in the MSME sector makes a significant contribution to business sustainability and compliance with the principles of Islamic Law. Through the approach of mudharabah, musyarakah, and wakalah contracts, MSME actors feel benefits in capital, risk sharing, and flexibility in running a business in accordance with sharia values.

### **Results**

The results of this study show that the implementation of sharia cooperation contracts in the MSME sector in general is in accordance with the principles of Islamic Law, although there are still some challenges in practice. Based on a literature review of fiqh books, scientific journals, and sharia

economic regulations in Indonesia, it was found that mudharabah, musyarakah, and wakalah contracts have a strong foundation in sharia and can be implemented properly if the principles of transparency and justice are maintained (Primadhany, Baihaki, and Makrup 2023).

Analysis of the mudharabah contract shows that this scheme offers a capital solution for MSMEs without having to involve investors in the daily operations of the business. However, the main challenge found is maintaining the transparency of financial statements between business actors and investors. Several case studies in the literature show that if the principle of profit sharing is not implemented proportionally and transparently, the potential for conflict will increase. Meanwhile, the musyarakah contract provides opportunities to increase business productivity through active collaboration between business partners. However, there are still obstacles in recording capital contributions and fair profit sharing. Fiqh literacy emphasizes the importance of a clear agreement at the beginning of cooperation to minimize gharar (ambiguity) in business operations.

In the wakalah contract, this study found that flexibility in business management can be achieved through a transaction representative system. However, the risk remains if the appointed party does not fully understand the principles of sharia. This is reinforced by the sharia policy document that emphasizes the need for education for agents or representatives in the wakala contract. Based on these findings, the study recommends increasing sharia education for MSME actors and the preparation of more detailed guidelines by the relevant authorities. In addition, additional regulations are needed to ensure transparency and accountability in each contract, so as to increase sharia compliance and maintain business blessings in the MSME sector.

## Discussion

The implementation of sharia contracts in the Micro, Small, and Medium Enterprises (MSMEs) sector is an important effort to ensure that business activities run in accordance with the principles of Islamic Law. Based on a normative juridical approach and a comprehensive literature review, this study reveals that contracts such as mudharabah, musyarakah, and wakalah have great potential in supporting the development of MSMEs in Indonesia. These three contracts have a strong fiqh foundation and high flexibility in implementation in the field (Abidin, Rasyid, and Lubis 2021; Arifiya 2018). However, its implementation requires a deep understanding in order to avoid practices that deviate from sharia principles, such as riba, gharar, and maisir.

In the mudharabah contract, this study found that the profit-sharing scheme offered provides benefits for both capital owners (shahibul maal) and business managers (mudharib). This agreement allows MSME actors to get capital without having to provide interest guarantees like in the conventional system. However, the challenge in mudharabah contracts lies in the aspects of transparency and accountability. Many business actors have not been able to compile good financial statements, so it often causes ambiguity in the distribution of profits. From the perspective of fiqh, gharar (ambiguity) should be avoided because it can lead to disputes in the future.

The musyarakah contract also provides great opportunities in the development of MSMEs,

especially in business partnership schemes. This agreement allows two or more parties to unite their capital and efforts in achieving mutual benefits. This concept is in line with the principle of risk-sharing in the Islamic economy, which is different from conventional systems that tend to be risk-transfer-oriented. However, practice in the field shows that the main obstacle to the *musharakah* contract is in determining the portion of capital contribution and profit sharing. Many literature studies note misunderstandings among business partners regarding non-financial contributions, such as manpower and expertise, which are often difficult to measure.

The *wakalah* contract, as a form of representation in business transactions, also offers high flexibility for MSME actors. Through this contract, business actors can delegate part of their business affairs to other parties who are more expert or more experienced. For example, a trader can delegate the procurement process to a professional agent through a *wakalah* contract. However, the study notes that there is a risk of abuse of authority if the representative does not have a good understanding of sharia principles. Therefore, an adequate control and education mechanism is needed for agents involved in the *wakalah* contract.

In terms of regulation, this study found that the support of the National Sharia Council (DSN-MUI) and the Financial Services Authority (OJK) is a strong foundation in the implementation of sharia contracts in the MSME sector (Meibie and Indra 2024; Rohmah et al. 2024; Yudha 2021). The DSN-MUI fatwas provide clear guidelines regarding the rules and procedures for the implementation of these contracts. In addition, OJK policies regarding Islamic banking and microfinance also support an Islamic ecosystem that is conducive to MSMEs. However, this study highlights the need to improve aspects of supervision and evaluation to ensure that sharia compliance is maintained.

In addition to the regulatory aspect, this study also emphasizes the importance of education for MSME actors related to sharia contracts. Many business actors are still unfamiliar with the terms of *fiqh muamalah* and do not understand the basic concepts of sharia contracts. This condition can lead to malpractice or the implementation of contracts that are not in accordance with sharia. One of the recommendations from this study is the need for periodic training and workshops involving *fiqh* experts, sharia economics practitioners, and MSME actors. Thus, it is hoped that a uniform understanding and better business practices will be created.

The importance of preparing guidelines for the implementation of sharia contracts in more detail is also one of the important points in this discussion. This research found that some sharia microfinance companies already have good operational guidelines, but not all MSMEs have access or understanding of these documents. Therefore, there is a need for collaboration between the government, Islamic financial institutions, and MSME associations to provide guidelines in simpler and easier to understand language. This step is expected to minimize errors in the implementation of sharia contracts.

This research also found that business blessings are one of the expected aspects of the implementation of sharia contracts. In sharia economics, blessings are not only measured from material aspects, but also from the positive impact of business on the social and spiritual environment. For example, business actors who carry out *mudharabah* or *musharakah* contracts

honestly and fairly usually gain more trust from business partners and consumers. This trust has the potential to increase customer loyalty and business stability in the long run.

One example of good practice found in the literature review is the existence of sharia microfinance institutions in rural areas that provide financing to MSMEs with *musyarakah* contracts. This institution not only provides business capital, but also provides business assistance and education related to Islamic financial management. As a result, many MSMEs are able to develop well and make a positive contribution to the local economy. This practice shows that sharia contracts can be the right solution in the economic empowerment of the lower communities.

This research strengthens the importance of synergy between business actors, financial institutions, and the government in improving the implementation of sharia contracts in the MSME sector. A combination of supportive regulations, adequate education, and commitment from all relevant parties is key in creating a halal, productive, and sustainable business ecosystem. In the long run, this will not only improve sharia compliance but also help create a more inclusive and equitable economy.

Based on the discussion above, this study provides practical contributions in the form of applicable policy recommendations to support MSMEs in implementing sharia contracts appropriately. Among them are the need to simplify the contract administration process, increase sharia financial literacy for business actors, and strengthen the sharia supervision system. Thus, it is hoped that MSMEs will not only be able to compete in the local market but also have the opportunity to develop in the global market.

## CONCLUSION

This study concludes that cooperation contracts in MSMEs are basically in accordance with Islamic Law if they meet the principles of justice, transparency, and responsibility. The successful implementation of sharia contracts such as *mudharabah*, *musyarakah*, and *wakalah* in the context of MSMEs requires a deep understanding and high awareness of business actors regarding the applicable sharia rules. In an effort to increase the blessings and sustainability of the business, it is very important for MSME actors to not only comply with the formal requirements in the contract, but also uphold the ethical and moral values contained in Islamic Law. Involving sharia advisors in every stage of business management is also a strategic step to ensure that every transaction and business activity remains within the sharia corridor.

Thus, it is hoped that businesses run by MSMEs will not only provide significant economic benefits but also bring wide blessings to all parties involved, including investors, business partners, and the wider community. These blessings can be achieved through honest, fair, and transparent business practices, which will ultimately support sustainable economic growth and contribute positively to the overall national economy.

## REFERENCES

- Abidin, Ahmad Zaenal, Moh Rasyid, and Rezkia Zahara Lubis. 2021. "Pembiayaan Mudharabah Bertingkat Pada Bank Umum Syariah." *Iqtisadie: Journal Of Islamic Banking And Shariah Economy* 1(2):141–73.
- Adinugraha, Hendri Hermawan, and Mila Sartika. 2020. *Perbankan Syariah: Fenomena Terkini Dan Praktiknya Di Indonesia*. Penerbit NEM.
- Arifiya, Ismiyatul. 2018. "Perlindungan Hukum Terhadap Pengguna Pada Transaksi Bisnis Teknologi Finansial Berdasarkan Prinsip Syariah."
- Damanik, Ade Zuki. 2024. "Peran Hukum Ekonomi Syariah Dalam Mengatur Transaksi Bisnis Syariah." *Eksekusi: Jurnal Ilmu Hukum Dan Administrasi Negara* 2(3):434–41.
- Djamil, Nasrullah. 2023. "Akuntansi Terintegrasi Islam: Alternatif Model Dalam Penyusunan Laporan Keuangan: Islamic Integrated Accounting: Alternative Models in Preparing Financial Statements." *JAAMTER: Jurnal Audit Akuntansi Manajemen Terintegrasi* 1(1):1–10.
- Habib, Muhammad Alhada Fuadilah, and Sutopo Sutopo. 2024. "Pembinaan UMKM Dalam Aspek Komunikasi Pemasaran Sebagai Wujud Pemberdayaan Perempuan Di Sekitar Kawasan Wisata Pantai." *Journal of Islamic Tourism Halal Food Islamic Traveling and Creative Economy* 4(1):85–100.
- Meibie, Meibie, and Yetti Afrida Indra. 2024. "Peran Penting Pasar Modal Syariah Dalam Perekonomian Di Indonesia." *Journal of Management and Innovation Entrepreneurship (JMIE)* 2(1):1723–32.
- Muqorobin, Ahmad, Isnayati Nur, Fitri Zaelina, Egha Ezar Junaeka Putra Hassany, Jumirin Asyikin, Rifaatul Indana, and Siti Maghfiroh. 2024. "Lembaga Keuangan Syariah Di Indonesia."
- Ningsih, Ellis Nurjuliasti, Heron Surbakti, Dwi Puspa Indriani, and Andi Agussalim. 2024. "Peningkatan Produktivitas Pemasaran UMKM Di Desa Sungsang II Melalui Peningkatan Kemasan Produk." *Jurnal Pengabdian Kepada Masyarakat (JPKM) TABIKPUN* 5(2):163–70.
- Ompusunggu, Dicky Perwira, and Ditya Sriwahyuni Sinurat. 2023. "Pelatihan Manajemen Keuangan Bagi Umkm Kota Palangka Raya Dan Pengelolaan Usahanya." *Optimal Jurnal Ekonomi Dan Manajemen* 3(2):36–41.
- Prayoga, Taufik Ilham, Nurlaila Isima, and Suryadi Ibrahim. 2023. "Potensi Sistem Hukum Ekonomi Syariah Dalam Pencegahan Korupsi Wujudkan Integritas Sektor Ekonomi." *Al- 'Aqdu: Journal of Islamic Economics Law* 3(2):135–42.
- Primadhany, Erry Fitrya, Baihaki Baihaki, and Zainal Makrup. 2023. "Akad Mudharabah Dan Relevansinya Dengan Ayat Muamalah Pada Transaksi Teknologi Finansial Syariah." *TAWAZUN: Journal of Sharia Economic Law* 6(1):70–88.
- Pusvisasari, Lina, Hasan Bisri, and Ija Suntana. 2023. "Analisis Filosofi Dan Teori Hukum Ekonomi Syariah Dalam Konteks Perbankan Syariah." *Jurnal Ekonomi Utama* 2(3):269–77.
- Rohmah, Zelyn Faizatul, Antri Arta, Qomarul Huda, and Dede Nurrohman. 2024. "Peran Regulasi

Sebagai Landasan Hukum Bagi Pertumbuhan Lembaga Keuangan Syariah Di Indonesia: Peluang Dan Tantangan.” *Maro: Jurnal Ekonomi Syariah Dan Bisnis* 7(1):1–13.

Solekha, Siti, Purwati Purwati, and Nurkolis Nurkolis. 2024. “Kebijakan Asesmen Kompetensi Minimum.” *Dharmas Education Journal (DE\_Journal)* 5(2):972–79.

Sunaryono, S. E., S. E. Devi Wahyuningsih, M. Ak, S. E. Tia Apriani, M. Ak, S. E. Fransiska Ekobelawati, S. E. Nurasiah, S. E. Nindy Puspitasari, M. Ak, and S. E. Yulianto. n.d. *Manajemen Risiko Pembiayaan UMKM Implementasi Pada Lembaga Keuangan Syariah*. Penerbit Adab.

Wati, Deby Laras, Vicka Septianingsih, Wildan Khoeruddin, and Zidan Quraish Al-Qorni. 2024. “Peranan UMKM (Usaha Mikro, Kecil Dan Menengah) Dalam Meningkatkan Perekonomian Indonesia.” *Jurnal Ekonomi Bisnis, Manajemen Dan Akuntansi* 3(1):265–82.

Yolanda, Cindy. 2024. “Peran Usaha Mikro, Kecil Dan Menengah (UMKM) Dalam Pengembangan Ekonomi Indonesia.” *Jurnal Manajemen Dan Bisnis* 2(3):170–86.

Yudha, Ana Toni Roby Candra. 2021. *Fintech Syariah Dalam Sistem Industri Halal: Teori Dan Praktik*. Syiah Kuala University Press.

Yunus, Yana Ameliana. 2021. “Pengaruh Modal Sendiri Dan Modal Pinjaman Terhadap Peningkatan Pendapatan Usaha Mikro Kecil Dan Menengah.” *YUME: Journal of Management* 4(2).

Zainuddin, Muhammad, and Aisyah Dinda Karina. 2023. “Penggunaan Metode Yuridis Normatif Dalam Membuktikan Kebenaran Pada Penelitian Hukum.” *Smart Law Journal* 2(2):114–23.