

Analysis of the Ijarah Contract on the Wage System of Palm Oil Loading and Unloading Laborers in Lambur II Village

Reni Ardwiyanti^{1*}, Zaenal Abidin², Andriyadi³, Sharon⁴

¹Al-Mujaddid Sabak Islamic Institute, East Tanjung Jabung, Indonesia

²Al-Mujaddid Sabak Islamic Institute, East Tanjung Jabung, Indonesia

³Al-Washliyah Islamic College, Banda Aceh, Indonesia

⁴Global University, Germany

*Corresponding Author: Rennyardwiyantiii@gmail.com

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Abstract:

This study was motivated by the wage practices applied to palm oil loading and unloading laborers in Lambur II Village, which still experience several issues, including delayed wage payments, unclear scopes of work, and unequal bargaining positions between laborers and employers within informal employment relations. These conditions raise questions regarding the conformity of the wage system with the principles of the ijarah contract in Islamic economic law, particularly concerning the clarity of ujarah (wages), justice, and punctuality of payment. This study aims to analyze the wage system of palm oil loading and unloading laborers based on the pillars and conditions of the ijarah contract and to evaluate its conformity with the principles of fiqh muamalah. The research employed a qualitative approach using a descriptive-analytical design. Data were collected through observation, interviews, and documentation involving laborers and palm oil business owners in Lambur II Village, and were analyzed using triangulation techniques. The findings reveal that the wage practices have fulfilled the basic elements of the ijarah contract; however, their implementation has not fully met the principles of contractual clarity, payment certainty, and justice in employment relations. Delayed wage payments and the assignment of additional tasks beyond the initial agreement indicate the persistence of ambiguity in the implementation of the contract. This study contributes to the development of empirical Islamic economic law studies concerning the implementation of ijarah contracts in informal labor relations within palm oil plantation communities.

Keywords:

Ijarah Contract; Wage System; Loading and Unloading Laborers; Fiqh Muamalah; Ujarah; Justice.



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INTRODUCTION

Employment relations in Indonesia's informal sector continue to face persistent challenges related to wage systems, labor protection, and contractual certainty, particularly within plantation-based and physically intensive occupations. As one of the country's strategic industries, the palm oil sector significantly contributes to economic growth and employment opportunities; however, it also reflects ongoing issues concerning wage justice, delayed payments, unclear employment arrangements, and the weak bargaining position of informal workers. Palm oil loading and unloading laborers are especially vulnerable to income uncertainty due to irregular workloads, unstable payment mechanisms, and employment relations largely governed by local customs rather than formal written contracts. From the perspective of Islamic economic law, such conditions are crucial

to examine because wage practices are not merely economic transactions but also contractual relationships carrying moral, legal, and sharia implications. The concept of “*ijarah*” in “*fiqh muamalah*” emphasizes that labor compensation must uphold principles of clarity, justice, mutual consent, and timely payment to avoid elements of “*gharar*” and exploitation (Adeinat, Al Rahahleh, & Bhatti, 2019). Furthermore, labor dynamics within Indonesia’s palm oil sector continue to reveal inadequate protection of workers’ rights, especially among daily and informal laborers who frequently experience unfair treatment and limited access to normative labor rights (Benali et al., 2025).

The primary issue within palm oil labor wage practices is not limited to the amount of wages received, but also involves delayed payments, unclear job scopes, and unequal bargaining positions during negotiations. In practice, workers often experience delayed wage payments because payments from palm oil companies or plantation owners have not yet been disbursed, forcing laborers to wait without certainty. Such conditions contradict the principles of “*fiqh muamalah*”, which stress the importance of prompt wage payment and the protection of workers’ rights. Islam normatively prohibits unjustified wage delays because they can create hardship and injustice for workers who depend on daily income for their livelihoods. Previous studies indicate that delayed wage payments may reduce workers’ sincerity, create tensions in labor relations, and conflict with the principles of justice within “*ijarah*” contracts (Xue, 2025). Other studies also found that informal workers frequently receive additional tasks beyond initial agreements without proportional compensation, creating imbalances between labor contributions and the “*ujrah*” received (Wahla, Hasan, & Bhatti, 2018). In addition, customary wage systems in the palm oil sector often determine wages based on local social patterns without adequately considering proportionality and substantive sharia justice (Amin, 2019).

This study employs the “*ijarah*” contract as its primary conceptual framework for analyzing the employment relationship between palm oil loading and unloading laborers and employers in Lambur II Village. In “*fiqh muamalah*”, “*ijarah*” refers to a contract involving the transfer of services or benefits in exchange for agreed compensation. More specifically, “*ijarah ‘ala al-a‘mal*” explains labor-based contracts in which human services are compensated through “*ujrah*”. The validity of this contract depends on the fulfillment of several essential elements, including the contracting parties, mutual agreement, clear work benefits, and predetermined compensation. Moreover, “*ijarah*” must uphold principles of mutual consent (“*taradhi*”), justice (“*‘adl*”), transparency, and the absence of “*gharar*”. Studies on wage systems based on “*ijarah*” emphasize that employment relations in Islam should be grounded in transparency, certainty, and proportionality between work and compensation (Rahim, 2018). The “*Shafi’i*” perspective even places wage justice as a central element of labor relations, requiring compensation to reflect work intensity, occupational risk, and workers’ fundamental needs (Simon & Wilson, 2021). Contemporary Islamic legal scholarship further connects labor protection with “*maqashid sharia*”, highlighting the importance of worker welfare and social justice within wage systems (Amin, 2019).

Based on these issues, this research aims to examine and describe the wage system applied to palm oil loading and unloading laborers in Lambur II Village from the perspective of the pillars and

conditions of “ijarah” contracts within Islamic economic law. The study also analyzes whether wage payment practices align with the principles of justice, clarity of “ujrah”, and timely payment in “fiqh muamalah”. To address these objectives, the study employs a qualitative descriptive-analytical approach through observation, interviews, and documentation, supported by source triangulation to obtain a comprehensive understanding of wage practices in the field. This approach enables the research to evaluate not only the empirical realities of informal labor relations but also their conformity with Islamic legal norms governing employment contracts.

Academically, this study contributes to the development of empirical Islamic economic law studies, particularly regarding the implementation of “ijarah” contracts within informal labor relations in the palm oil plantation sector, which remains relatively underexplored. Previous studies have largely focused on normative analyses of Islamic wage systems, formal labor relations, or conceptual discussions of Islamic business ethics without specifically examining palm oil loading and unloading laborers whose work is characterized by intense physical labor, uncertain working hours, and customary employment relations. Earlier research predominantly discussed Islamic wage concepts in general (Adeinat, Al Rahahleh, & Bhatti, 2019), wage justice in “fiqh Shafi’iyah” and positive law (Simon & Wilson, 2021), or labor protection within Islamic and national labor law frameworks (Amin, 2019). Other studies explored wage practices among harvest workers or informal employees but did not specifically analyze palm oil loading and unloading laborers as a form of “ijarah ‘ala al-a‘mal” (Wahla, Hasan, & Bhatti, 2018; Benali et al., 2025). This study therefore fills an important research gap by integrating empirical analysis of wage practices with substantive “fiqh muamalah” principles through the evaluation of contractual clarity, “taradhi”, wage justice, and payment certainty. It also reflects the growing trend in Islamic economic law studies toward empirical-sociological approaches that position “ijarah” as an analytical framework for understanding contemporary labor relations (Amin, 2019).

METHOD

This study employs a qualitative approach using a descriptive-analytical research design to gain an in-depth understanding of the wage practices for palm oil loading and unloading workers in Lambur II Village from the perspective of the ijarah contract under Islamic economic law. A qualitative approach was chosen because this study focuses on understanding social phenomena, labor relations, the subjects’ experiences, and the meaning of wage practices that develop naturally within the context of society, thus requiring in-depth data exploration through direct interaction with research informants. A descriptive-analytical research method was employed to describe empirical facts regarding the wage mechanism while analyzing its alignment with the principles of fiqh muamalah, particularly the pillars and conditions of the ijarah contract, the clarity of the ujrah, the principle of taradhi, and the timeliness of wage payments. This approach is commonly used in empirical Islamic economic law research because it is capable of linking Sharia norms with the socio-economic practices of society in a contextual manner (Creswell & Poth, 2018).

The data sources for this study consist of primary and secondary data. Primary data was obtained through in-depth interviews with palm oil loading and unloading workers and palm oil business owners or managers directly involved in the wage system in Lambur II Village, as well as

through field observations of prevailing work practices and wage payments. Meanwhile, secondary data was obtained from scientific literature in the form of books on fiqh muamalah, journals on Islamic economic law, previous theses, supporting documents, and regulations relevant to the wage system and ijarah contracts. Research subjects were selected using purposive sampling, which involves selecting informants based on specific criteria such as work experience, direct involvement in wage practices, and understanding of the work mechanisms under study. Purposive sampling is considered relevant in qualitative research because it allows researchers to identify informants who truly understand the phenomenon under study in a substantive manner (Palinkas et al., 2015). The primary research instrument is the researcher themselves, aided by interview guidelines, observation sheets, and field documentation as data collection tools. The use of semi-structured interviews allows the researcher to obtain more flexible, in-depth, and reflective data regarding the informants' experiences and perceptions regarding ongoing wage practices (Kallio et al., 2016).

Data collection methods in this study were conducted simultaneously through observation, interviews, and documentation to strengthen data validity through source triangulation. Observations were conducted by directly observing palm oil loading and unloading activities, the patterns of working relationships between workers and employers, and the wage payment mechanisms applied in the field. In-depth interviews were conducted with key informants to obtain information regarding work agreements, wage determination systems, payment schedules, additional work beyond the initial agreement, and their perceptions of wage fairness. Documentation was used to supplement field data through the collection of notes, photos of activities, or other supporting documents relevant to the research. In the data collection process, this study used inclusion criteria consisting of informants who were directly involved in the wage practices of palm oil loading and unloading workers in Lambur II Village, had sufficient work experience, and were willing to provide information openly.

Meanwhile, informants who were not directly involved in wage practices or who did not possess relevant information regarding the operational mechanisms were excluded from the research criteria. The data analysis technique employed an interactive analysis model that included data reduction, data presentation, and the continuous drawing of conclusions throughout the research process. The analysis was conducted by comparing empirical data from interviews and observations with the principles of the ijarah contract in fiqh muamalah to assess the appropriateness of the prevailing wage practices. A triangulation approach was used to enhance the credibility and validity of the research findings through comparisons across data sources, data collection methods, and the interpretation of research results (Fusch et al., 2018). In qualitative research, triangulation is a crucial technique for minimizing subjective bias and strengthening the consistency of research findings (Carter et al., 2014). Data analysis was conducted thematically by grouping field findings based on key themes such as the clarity of the contract, the system for determining ujarah, the accuracy of payments, and the principle of justice in labor relations, which were then interpreted using a descriptive-analytical approach based on Islamic economic law (Braun & Clarke, 2021).

RESULTS AND DISCUSSION

Results

The research findings indicate that the wage system for palm oil loading and unloading workers in Lambur II Village operates through an informal labor mechanism based on verbal agreements between workers and palm oil business owners or managers.

Table 1. The research finding and result.

Research Aspect	Main Findings	Implications in Ijarah Perspective
Employment Relationship System	Employment relationships are informal and based on verbal agreements, customs, and mutual trust without written contracts.	Indicates weak contractual clarity and incomplete fulfillment of detailed akad requirements in ijarah.
Wage Determination Mechanism	Wage amounts are generally determined by local customary standards with minimal negotiation between workers and employers.	Reflects limited implementation of the principle of fairness and balanced bargaining position in ujarah determination.
Nature of Work	Loading and unloading activities involve heavy physical labor, irregular working hours, and dependence on cargo volume and transportation schedules.	Demonstrates high work intensity that should be balanced with proportional compensation under ijarah principles.
Wage Payment System	Wage payments are often delayed because employers wait for payments from palm oil companies or collectors.	Contradicts the Islamic principle requiring timely wage payment and protection of workers' rights.
Payment Certainty	No written rules regulate payment deadlines or dispute resolution mechanisms for delayed wages.	Shows uncertainty (gharar) within the wage system and weak legal protection for workers.
Economic Dependency	Workers continue working despite unpaid wages because they rely heavily on the job for daily income.	Indicates unequal socio-economic relations that potentially weaken voluntary consent (taradhi).
Bargaining Position	Workers have limited bargaining power and tend to accept predetermined wages to avoid losing employment opportunities.	Suggests imbalance in contractual relations and reduced bargaining justice in ijarah practices.
Additional Work	Workers often perform tasks beyond the original agreement without clear additional compensation.	Violates the principle of clarity of work scope and proportional ujarah in Islamic contracts.
Social Adaptation	Workers perceive the wage system as a long-standing social norm despite dissatisfaction with workload and wages.	Demonstrates normalization of unequal labor practices through community customs.
Ijab and Qabul Practice	Employment agreements are conducted verbally before work begins and only cover basic work and wages.	Indicates that akad elements exist, but contractual details remain incomplete and insufficiently transparent.
Administrative System	There are no written employment documents or structured wage administration mechanisms.	Reflects weak documentation and lack of legal certainty in labor contracts.
Understanding of Ijarah	Many workers lack understanding of ijarah concepts and workers' rights in Islamic law.	Shows low literacy regarding fiqh muamalah and sharia-based labor rights.
Occupational Risk	Work involves heavy lifting, long hours, weather exposure, and inadequate safety equipment.	Highlights insufficient worker protection despite significant occupational risks.
Labor Protection	No formal protection mechanisms such as health insurance, work accident coverage, or safety standards are provided.	Contradicts maqashid sharia principles concerning protection of life and worker welfare.
Employer Perspective	Employers consider the wage system reasonable due to unstable palm oil business income and payment fluctuations.	Reflects economic considerations influencing wage flexibility and delayed payments.

Worker Perspective	Workers prioritize payment certainty and wage fairness relative to workload.	Emphasizes the importance of justice ('adl) and certainty in wage fulfillment.
Social-Based Employment Relations	Employment relationships are maintained through long-term social ties, loyalty, and mutual dependence.	Creates social stability but sustains informal labor practices lacking formal contractual protection.
Employer Assistance Pattern	Employers sometimes provide loans or temporary assistance during workers' economic hardship.	Reflects patron-client social relations that strengthen dependency rather than formal labor protection systems.

Based on interviews and field observations, the employment relationship is not established through a written contract but rather based on long-standing work customs within the community. Workers secure employment when there are loading and unloading activities for harvested palm oil that is to be shipped or transported to a specific location. Work agreements generally cover the type of work to be performed and the amount of wages to be received, but not all aspects of the work are detailed at the outset of the agreement. In practice, most workers state that wage determination is based on general agreements already in place within the local work environment, without intensive negotiation between workers and employers. This wage system shares characteristics with the patterns of informal labor relations in the plantation sector commonly found in rural areas of Indonesia, where labor relations tend to be built on trust and social customs rather than formal contracts (Benali et al., 2025).

The findings also indicate that palm oil loading and unloading work is carried out collectively, involving high levels of physical activity, irregular working hours, and dependence on the volume of cargo and distribution conditions in the field. In some cases, workers labor from morning until night, depending on the arrival of palm oil transport vehicles and the volume of cargo that must be processed. Such working conditions resemble the nature of labor relations in the informal agricultural sector, which prioritizes work flexibility as a key characteristic, yet simultaneously creates uncertainty regarding labor protection and compensation guarantees (Xiao, Wang, & Wohlfarth, 2026).

The research findings also indicate that wage payments to palm oil loading and unloading workers are not always made immediately after the work is completed. Some informants stated that wage payments are often delayed because business owners or palm oil managers have not yet received payments from larger companies or palm oil collectors. Under certain circumstances, workers must wait several days for payment. Interview results indicate that such payment delays are viewed as a common occurrence within the local labor system, even though workers continue to face economic difficulties due to their daily living expenses being dependent on their daily earnings. Field data also reveals that there are no written provisions regarding payment deadlines or resolution mechanisms in the event of delayed payments. This pattern indicates the existence of flexible employment relationships that lack procedural certainty regarding wage payments. These conditions align with research findings on daily wage workers in the plantation sector, which show that payment systems dependent on corporate cash flow often lead to income uncertainty for informal workers (Xue, 2025).

In addition, the findings of the observation indicate that some workers continue to work even though they have not yet received their full previous pay, as they are economically dependent on that

job. This finding is consistent with research on informal sector workers, which shows that limited job opportunities lead workers to accept uncertain working conditions in order to maintain their source of income (Wang et al., 2023).

Further research findings indicate that negotiations between workers and employers take place under conditions of unequal bargaining power. Most informants stated that wage amounts were determined based on prevailing customs in the workplace, leaving workers with relatively limited room to negotiate. Workers tend to accept the predetermined wage amounts out of fear of losing their jobs if they negotiate too aggressively. In daily work practices, there are also situations where workers accept additional tasks beyond the initial agreement, such as helping to move cargo to additional locations or completing work outside normal working hours without clear compensation. Observations indicate that workers typically accept such additional tasks as a way to maintain good relations with employers and ensure the continuity of their employment. This pattern of labor relations indicates a fairly strong socio-economic dependency between workers and palm oil business owners. These findings share characteristics with research on informal patronage-based labor relations in the agricultural sector, which shows that workers often accept additional work terms without negotiation due to their economic dependency on employers (Jiang & Niu, 2025).

Field data also show that some workers view this work system as a long-standing social norm, so it is rarely openly questioned, even though individually there is a sense of dissatisfaction regarding the balance between workload and wages received. Such conditions indicate a pattern of social adaptation in the informal labor relations of rural communities, as found in a study on community-based labor relations in the smallholder plantation sector (Simon & Wilson, 2021).

Regarding the execution of employment agreements, the research findings indicate that the elements of *ijab* and *qabul* are generally conducted verbally through direct communication between workers and employers before work begins. Employment agreements typically cover only the primary type of work and the general wage amount, without detailed explanations regarding the scope of additional work, payment schedules, or the consequences if the work takes longer than initially estimated. Based on interview results, some informants stated that they accepted the job based on mutual trust and customs that have developed within the work environment. Field documentation also indicates the absence of written documents regarding employment agreements or a structured wage payment administration system. In practice, payment is made in cash after the work is completed or after the employer receives payment from the palm oil company. This situation indicates that the employment relationship operates within a simple framework based on social trust. Similar characteristics were found in research on employment contract practices in rural communities, which showed that verbal agreements are still predominantly used in informal employment relationships because they are considered more practical and aligned with the local culture of the community (Amin, 2019; Adeinat, Al Rahahleh, & Bhatti, 2019).

In addition, the research findings also show that some workers do not have a detailed understanding of the concept of the *ijarah* contract or workers' rights from an Islamic legal perspective; consequently, the employment relationship is viewed more as a routine economic activity than as a form of a Sharia legal contract. This situation indicates a limited normative

understanding among workers regarding employment contracts in fiqh muamalah, as found in research on Islamic economic legal literacy among workers in the informal sector (Wahla, Hasan, & Bhatti, 2018; Rafay, Sadiq, & Ajmal, 2017).

Field observations indicate that palm oil loading and unloading work involves a relatively high level of physical risk due to the lifting of heavy loads, long working hours, and unstable working conditions. Some workers reported experiencing significant physical fatigue, particularly when the volume of palm oil cargo increased or work continued into the night. In some cases, workers must also work under unfavorable weather conditions without adequate safety equipment. Nevertheless, interview results indicate that there is no formal labor protection system such as health insurance, workers' compensation, or written safety standards specifically implemented for palm oil loading and unloading workers in Lambur II Village. These data indicate that employment relationships operate within a traditional work pattern based on daily economic needs. This situation aligns with research on agricultural transport workers, which shows that the informal agricultural sector still has relatively low levels of labor protection compared to the formal sector (Hess, Hecker, Weinstein, & Lunger, 2004; Buckmaster & Hilton, 2005).

The research findings also show that some employers view the wage system in place as appropriate for the economic capacity of the palm oil businesses they manage, primarily because the businesses' revenue depends on price fluctuations and payments from the company. On the other hand, workers place greater emphasis on the importance of payment certainty and the alignment of wages with the workload they face on a daily basis. This difference in perception indicates a divergence in views between workers and employers regarding prevailing wage practices in the field, as found in a study on industrial relations in the informal sector within smallholder plantation areas (Herdiansyah & Mamola, 2026).

Other research findings indicate that the wage system for palm oil loading and unloading workers in Lambur II Village operates within a community-based employment relationship that prioritizes the sustainability of social ties between workers and employers. Based on interview results, most workers have been employed for a considerable period with the same employer, so that the employment relationship is not merely economic but also social. In certain circumstances, employers extend specific forms of leniency to workers, such as providing temporary loans or assistance when workers face economic difficulties. Conversely, workers also demonstrate job loyalty by continuing to work even when wages have not been fully paid. Observational findings indicate that such relationships create a relatively stable work pattern, yet they remain within an informal system lacking detailed contractual arrangements. This pattern of work relationships based on social ties is also evident in research on smallholder plantation worker communities, which shows that the sustainability of work relationships is often influenced by social closeness and a sense of mutual dependence between workers and business owners (Noriega et al., 2026).

Discussion

The research findings indicate that the wage system for palm oil loading and unloading workers in Lambur II Village generally fulfills the basic elements of an employment relationship under the *ijarah* contract, namely the existence of contracting parties, the subject matter of the work, and compensation in the form of *ujrah*; however, its implementation still raises a number of issues related to the clarity of the contract, the timeliness of payments, and the balance of the employment relationship.

Table 2. Interpretation of research result.

Main Findings	Discussion / Interpretation	Relevant Islamic Economic	Supporting References
Wage practices generally fulfill the basic elements of the <i>ijarah</i> contract	Employment relations already include contracting parties, work object, and <i>ujrah</i> (wages), but contractual implementation remains weak in terms of clarity and legal certainty	Pillars and conditions of <i>ijarah</i> ; contractual certainty	Rafay et al. (2017)
Employment agreements rely on verbal customs and social trust	Informal agreements maintain social harmony but increase the potential for <i>gharar</i> because job scope, additional work, and payment timing are unclear	<i>Gharar</i> , transparency, legal certainty in <i>muamalah</i>	Adeinat et al. (2019)
Wage payment delays frequently occur	Delays happen because employers depend on payments from larger palm oil companies, creating economic uncertainty for workers relying on daily income	Timeliness of wage payment; justice (<i>'adl</i>)	Xiao et al. (2026); Benali et al. (2025)
Delayed wages contradict Islamic ethical principles	Islam emphasizes prompt wage payment as both a moral and spiritual obligation, reflected in the hadith about paying workers before their sweat dries	Ethical dimension of <i>ijarah</i> ; worker protection	Benali et al. (2025)
Workers possess weak bargaining power	Most laborers accept existing wage arrangements due to limited employment opportunities and economic dependence, resulting in unequal negotiations	Principle of <i>taradhi</i> (mutual consent)	Amin (2019)
Additional work is often assigned without extra compensation	Workers frequently perform tasks beyond the initial agreement to maintain relationships with employers, reflecting exploitative patronage-based relations	Clarity of work benefits and proportional <i>ujrah</i>	Chen (2018)
Informal wage systems remain dominant	Wage determination is still strongly influenced by local customs rather than structured contractual mechanisms	Informal labor relations in <i>fiqh muamalah</i>	Herdiansyah & Mamola (2026)
Workers face economic vulnerability	Wage systems dependent on unstable business cash flow create uncertainty regarding workers' daily livelihoods	Economic justice and worker welfare	Buckmaster & Hilton (2005)
Social closeness reduces open conflict	Strong social ties between workers and employers help maintain harmonious relationships despite contractual weaknesses	Social solidarity in employment relations	Wang et al. (2026)
Harmonious relations do not guarantee substantive justice	Good personal relationships may coexist with unclear contracts and unfair wage practices	Substantive justice in <i>muamalah</i>	Rafay et al. (2017)
Wages are not always proportional to workload	Heavy physical labor, occupational risks, and irregular hours are not consistently matched with fair compensation	<i>Al-kifayah</i> and proportional wage justice	Simon & Wilson (2021)
Disproportionate wages affect worker welfare	Inadequate compensation may hinder protection of workers' well-being and economic sustainability	<i>Maqashid al-sharia</i> and labor welfare	Wang et al. (2023)

<i>Ijarah</i> implementation in informal sectors is complex	Local culture, economic dependence, and customary practices shape how Islamic contracts are negotiated in practice	Contextual and sociological Islamic economic law	Wahla et al. (2018)
Study contributes empirically to Islamic labor law research	Research expands <i>ijarah</i> studies beyond formal sectors into rural and informal labor relations	Empirical Islamic economic law studies	Wahla et al. (2018)
Research limitations exist	Findings are contextual because the study focuses only on Lambur II Village and relies heavily on interviews and observations	Contextual qualitative research limitation	Herdiansyah & Mamola (2026)
Practical implication: need for clearer contracts	Employers should specify work scope, wage amount, and payment schedules at the beginning of employment agreements	Transparency and contractual certainty	Adeinat et al. (2019)
Islamic economic literacy is still needed	Workers and employers require greater understanding of sharia-compliant employment rights and obligations	<i>Muamalah</i> literacy and justice	Adeinat et al. (2019)
<i>Maqashid al-sharia</i> can guide wage reform	Wage systems should prioritize not only efficiency but also worker dignity and welfare	<i>Maqashid al-sharia</i> approach	Benali et al. (2025)
Future research opportunities remain open	Future studies may adopt comparative or mixed-method approaches and integrate Islamic law with national labor law	Development of Islamic labor law research	Herdiansyah & Mamola (2026)

These findings are directly related to the research objective, which seeks to analyze the alignment of wage practices with the pillars and conditions of the *ijarah* contract under Islamic economic law. From the perspective of *fiqh muamalah*, the *ijarah* contract is not merely understood as a standard economic agreement but as a legal obligation requiring certainty of benefits, clarity of rights and obligations, and protection for the parties involved. When a work system is established through verbal agreements and social customs without clear contractual details, the potential for *gharar* increases because there are elements of uncertainty regarding the scope of work, additional work, and the timing of wage payments. In the study of Islamic economic law, *gharar* is understood as a condition of uncertainty that can result in loss for one of the parties in a transaction and must therefore be minimized in *muamalah* practices (Rafay et al., 2017).

The findings of this study show that work practices based on local customs are indeed capable of maintaining the sustainability of social relations within the community; however, in the context of *ijarah* contracts, procedural clarity is still required so that workers' rights do not depend entirely on personal relationships and mutual trust. This aligns with research affirming that informal labor relationships, from an Islamic perspective, must still adhere to the principles of transparency and contractual certainty to avoid exploitative practices (Adeinat et al., 2019). In this context, the wage practices for palm oil loading and unloading workers in Lambur II Village demonstrate a form of *ijarah* contract that functions substantively but has not yet fully met the ideal standards of a sharia-compliant employment contract from administrative and legal certainty perspectives.

Findings regarding late wage payments indicate significant issues in the implementation of the principles of fairness and timely payment in *ijarah* contracts. In *fiqh muamalah*, wage payment is a worker's right that must be fulfilled in accordance with the agreed-upon timeframe, as wages are viewed as direct compensation for the labor the worker has provided to the employer. Delays in payment without clear certainty can diminish the element of voluntary consent in the contract and potentially create economic imbalances in the relationship between workers and employers.

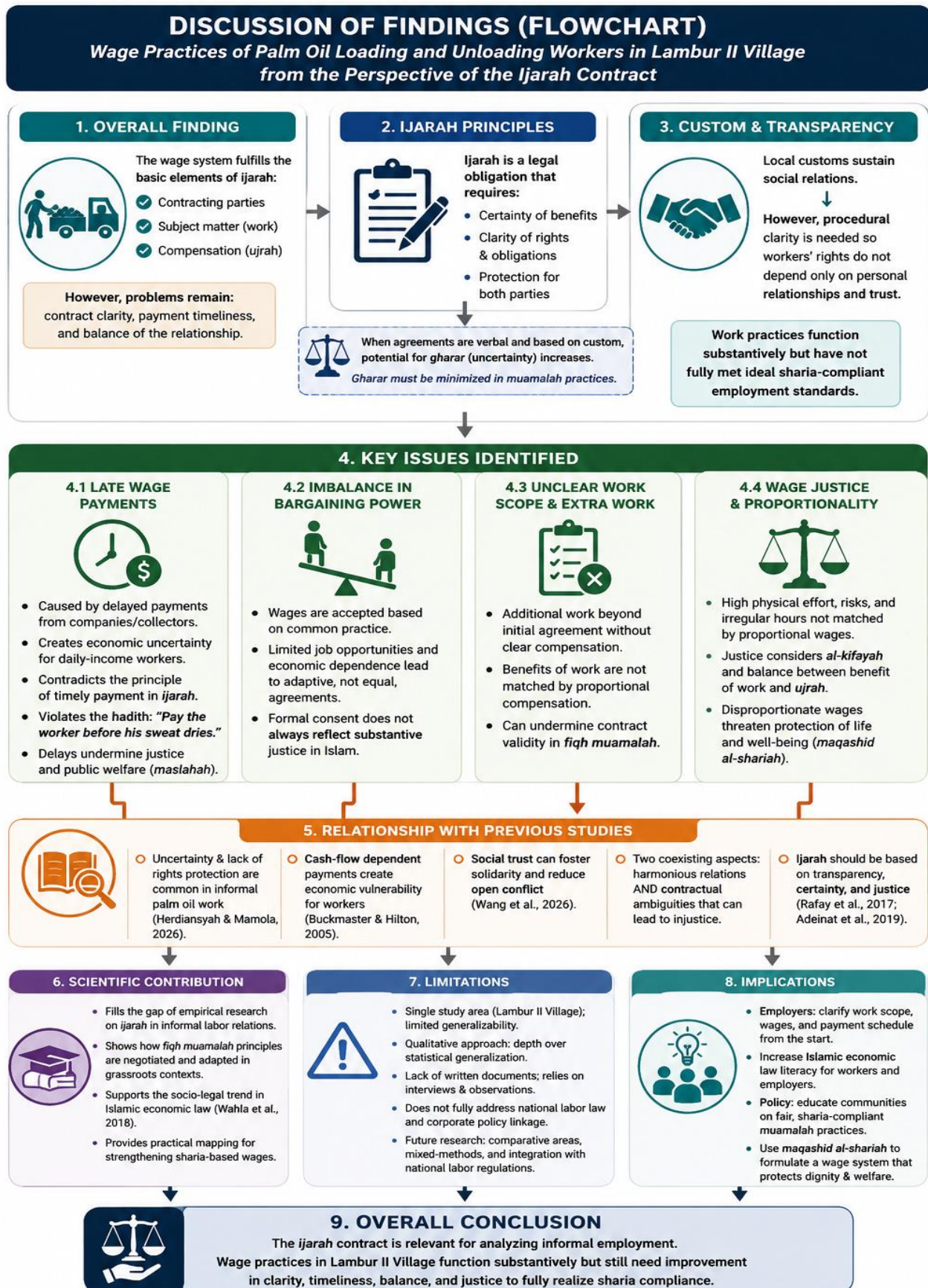


Figure 1. flowchart discussion of research finding & result.

The research findings show that payment delays occur because the palm oil industry itself relies on payment disbursements from larger companies or collectors. Although workers understand these reasons as part of the ongoing business mechanism, such conditions still create economic uncertainty for laborers who depend on daily income. This finding reinforces the view that justice in Islamic law is not only related to the nominal amount of wages but also concerns the timeliness and certainty of workers' rights being fulfilled (Xiao et al., 2026). Research on Islamic wage ethics also indicates that delayed wage payments can undermine the principle of *maslahat*, as workers lose the ability to meet their basic living needs adequately (Benali et al., 2025).

A hadith of the Prophet Muhammad (peace be upon him) even emphasizes the importance of paying workers before their sweat dries, indicating that timely payment has moral and spiritual dimensions in Islam. Therefore, the persistent structural delays in payment indicate a failure to fully implement the principle of *ijarah* in the wage practices for palm oil loading and unloading workers in Lambur II Village.

Another aspect that emerged from the research findings is the imbalance in bargaining power between workers and employers during wage and employment negotiations. In the theory of *ijarah* contracts, the principle of *taradhi* requires an agreement arising from the mutual consent of both parties without any specific pressure or domination. However, the research findings indicate that most workers accept the predetermined wage amounts based on common practice due to limited job opportunities and economic dependence on such employment. This situation indicates that the agreement reached is adaptive and pragmatic, not the result of a fully equal negotiation. From the perspective of contemporary Islamic economic law, formal consent does not always reflect substantive justice if one party is in a weaker economic position (Amin, 2019).

The findings of this study also indicate the existence of additional work beyond the initial agreement without clear compensation, thereby revealing a lack of clarity regarding the benefits of employment in the contract. This situation aligns with research on informal-sector workers, which shows that patronage-based employment relationships often place workers in subordinate positions, leading them to accept additional workloads in order to maintain their relationship with the employer (Chen, 2018).

Within the framework of *fiqh muamalah*, such practices have the potential to undermine the validity of a contract because the benefits of the work provided by the worker are not fully matched by clear and proportional compensation. The findings of this study align with a number of previous studies indicating that wage practices in Indonesia's informal sector are still largely based on social customs rather than a formally structured contractual system. Research on oil palm plantation workers indicates that informal employment relationships often result in workers facing uncertainty regarding wages, working hours, and the protection of basic labor rights (Herdiansyah & Mamola, 2026).

Another study on the wage system for agricultural transport workers also found that payments dependent on business cash flow leave workers in a vulnerable economic position because they lack certainty regarding their daily income (Buckmaster & Hilton, 2005). On the other hand,

there is also research showing that employment relationships based on social trust can foster community solidarity and reduce open conflict between workers and employers because both parties share relatively close social ties (Wang et al., 2026).

The findings of this study reveal two coexisting aspects: the persistence of relatively harmonious social relationships and the presence of contractual ambiguities that continue to have the potential to cause injustice. Thus, this study demonstrates that social closeness in employment relationships is not always synonymous with the substantive fulfillment of the principles of muamalah justice. From the perspective of ijarah theory, the work of loading and unloading palm oil which involves high levels of physical activity, significant occupational risks, and irregular working hours should be balanced by a proportional and transparent wage system. Research findings indicate that some workers feel the wages they receive do not fully reflect the strenuous nature of the work performed, particularly when additional tasks are assigned without extra compensation. In Islamic law, wage justice is not merely understood as a nominal agreement but must also consider the principle of al-kifayah and the balance between the benefits of the work and the compensation received by the worker (Simon & Wilson, 2021).

Research on the wages of informal workers from the perspective of maqashid al-sharia also indicates that a wage system that is disproportionate to the workload can hinder the protection of workers' lives and well-being (Wang et al., 2023). In the context of palm oil loading and unloading workers in Lambur II Village, working conditions that rely on continuous physical exertion highlight the importance of wage regulations that better consider the humanitarian aspects and the sustainability of workers' well-being. This indicates that the implementation of the ijarah contract in the informal sector is not sufficient if it merely fulfills the formal elements of the contract; it must also address the ethical and social dimensions that constitute the primary objectives of Islamic law in fostering economic justice.

The scientific contribution of this study lies in the development of research on the ijarah contract within the context of informal labor relations in oil palm plantation communities, a topic that has so far received relatively limited empirical attention. Most previous research on Islamic economic law has tended to focus on ijarah contracts in the formal service sector, Islamic financial institutions, or labor relations with clearer administrative systems. This study demonstrates that the practice of ijarah contracts at the grassroots level in rural communities exhibits more complex characteristics due to influences from local culture, social relations, economic interdependence, and customary-based work mechanisms. Using an empirical qualitative approach, this study illustrates how the principles of fiqh muamalah are applied, negotiated, and adapted in the daily working practices of the community. Studies such as this reinforce the trend in the development of Islamic economic law, which is not only normative-doctrinal but also sociological and contextual (Wahla et al., 2018).

In addition, this study also offers practical insights by mapping the challenges of informal employment relationships, which can serve as a foundation for strengthening a Sharia-based wage system in the community plantation sector. In a broader context, this study demonstrates that the ijarah contract remains a relevant tool for analyzing contemporary employment relationships,

including in the informal sector that operates outside the state's formal labor system. Although this study successfully describes the wage practices for palm oil loading and unloading workers from the perspective of the ijarah contract, there are several limitations that must be acknowledged. This study was conducted in only one research area, namely Lambur II Village; therefore, the findings cannot yet be generalized to all wage practices for palm oil workers in other regions with different socioeconomic conditions. Furthermore, the qualitative approach employed emphasizes the depth of data and the subjects' experiences over statistical generalizations, making the findings contextual to the specific field conditions studied. Another limitation lies in the unavailability of written documents regarding work systems and wage payments, as most employment relationships occur informally. This situation makes the study heavily reliant on data from interviews and field observations. This study also has not thoroughly addressed aspects of national labor law or the relationship between local wage systems and the policies of larger palm oil companies. Therefore, future research could adopt a more comparative approach by including additional study areas, employing mixed-methods research, or integrating Islamic legal analysis with national labor regulations to provide a broader understanding of the wage systems for workers in Indonesia's palm oil sector (Herdiansyah & Mamola, 2026).

The implications of this study highlight the importance of strengthening a wage system that is more transparent, proportional, and based on contractual certainty in employment relationships within the informal oil palm plantation sector. From a practical standpoint, employers need to clarify the scope of work, wage amounts, and payment schedules from the outset of the contract so that employment relationships better align with the principle of ijarah in Islamic law. Improving Islamic economic law literacy among workers and employers is also crucial so that both parties understand their rights and obligations within sharia-compliant employment relationships. In a policy context, the findings of this study can serve as input for village governments, community leaders, and religious institutions to strengthen education regarding fair and sharia-compliant muamalah practices in the community's economic sector. Research on community-based Islamic economics indicates that enhancing muamalah literacy can increase public awareness of the importance of clear contracts and the protection of workers' economic rights (Adeinat et al., 2019).

Furthermore, a maqashid al-sharia-based approach can also serve as a framework for formulating a wage system that considers not only economic efficiency but also the protection of the dignity and well-being of informal sector workers (Benali et al., 2025). In an academic context, this study opens up opportunities for broader empirical research on Islamic economic law regarding labor relations in rural communities, so that Islamic law is understood not only as an ideal norm but also as an analytical tool for examining contemporary socio-economic realities.

CONCLUSION

The research findings indicate that the wage system for palm oil loading and unloading workers in Lambur II Village essentially meets the basic elements of an ijarah contract, namely the presence of contracting parties, the work performed, and compensation in the form of wages. However, current wage practices still reveal a number of issues related to the clarity of the contract, the timeliness of payments, and the balance of the employment relationship between workers and

employers. Work agreements made verbally and based on social customs result in the scope of work, additional tasks, and payment mechanisms not always being clearly defined from the outset of the contract. Furthermore, wage payment delays resulting from reliance on fund disbursements from palm oil companies create economic uncertainty for workers who depend on daily income. This study also found that workers' bargaining power in the negotiation process is relatively weak due to limited job opportunities and economic dependence on the job, meaning the principle of mutual consent in the contract has not yet been fully realized in a balanced manner. From the perspective of *fiqh muamalah*, these conditions indicate that current wage practices do not fully meet the principles of justice, clarity of *ujrah*, and certainty of payment, which are essential components of the *ijarah* contract.

This study contributes to the development of empirical research on Islamic economic law, particularly regarding the implementation of the *ijarah* contract in labor relations within the informal sector based on oil palm plantation communities. The study demonstrates that the *muamalah* practices of rural communities are influenced not only by the textual norms of Islamic law but also by local culture, social relations, and the economic conditions of the local community. Practically, this study highlights the importance of strengthening a more transparent and structured wage system so that labor relations can operate more fairly and provide workers with certainty regarding their rights. This study also emphasizes that the *ijarah* contract is not merely understood as a mechanism for the exchange of benefits and wages but also as an ethical instrument that demands the protection of workers' dignity and well-being within labor relations.

Future research could focus on broader studies involving different research areas or employing a comparative approach to provide a more comprehensive understanding of wage practices for plantation workers from the perspective of Islamic economic law. Additionally, the integration of the *fiqh muamalah* approach with national labor regulations is also important to develop a model of labor relations that not only aligns with Sharia principles but also provides stronger legal protection for workers in the informal sector.

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