
THE RELEVANCE OF MUAMALAH CONTRACTS IN ENCOURAGING THE ECONOMIC INDEPENDENCE OF MUSLIMS IN THE ERA OF GLOBALIZATION

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Abstract

The era of globalization brings great challenges and opportunities for Muslims in achieving economic independence. The muamalah contract as a basic principle in the Islamic economic system has important relevance in creating a fair, transparent, and sharia-based transaction framework. This study aims to analyze the role of the ijarah contract in encouraging the economic independence of Muslims. With a qualitative approach based on literature, this study found that the application of the muamalah contract not only increases public awareness of the importance of halal transactions, but also forms a sustainable and inclusive economic ecosystem. In the midst of globalization, the principles of the muamalah contract can provide alternative solutions to dependence on the conventional economic system which is often full of usury and injustice.

Keywords: Globalization, Halal transactions, Islamic economic, Muamalah contract.

INTRODUCTION

Globalization has had a tremendous impact on the world economy, accelerating international market interactions and expanding the flow of goods, services, and capital between countries. This has created many opportunities for global economic growth, but has also presented major challenges, especially for Muslims in achieving economic independence. One of the main challenges is the dependence on the traditional economic system which often contains elements of interest and unfairness in transactions, which are contrary to the principles of sharia. This dependence on the traditional system has resulted in unsustainability in the Muslim economy, which requires an alternative economic system that is fairer, more transparent, and in accordance with the principles of sharia. (Amin *et al.*, 2015)

Islamic economics, with its basic principles of muamalah that focus on justice, transparency, and sustainability, offers a suitable solution to address this problem. One of the most important contracts in Islamic economics is the ijarah contract, the basic principle of which is rent. In this contract, the lessee and the lessor agree on payment for the use of certain goods or services, with clear rights and obligations agreed upon by both parties. The ijarah contract provides an alternative that is free from the elements of usury and injustice that often arise in traditional economic transactions, which often burden one party. In addition, this contract also provides flexibility in many economic sectors, including Islamic banking, property, and services, which are in accordance with the principles of a just economy (Hatta M, 2022)

In addition to the ijarah contract, another type of contract that is relevant in the context of Islamic economics is the ijarah Mutanaqqilah Bi al-Tamlik (IMBT), which is a rental contract that gives the lessee the opportunity to buy the rented goods after the lease period ends. IMBT provides a solution in the financing sector in a more flexible and sustainable way, allowing people to gain access to the goods they need without getting caught up in interest or usury. The implementation of

IMBT is very important in encouraging economic inclusivity, especially in an increasingly connected global world that requires financing that is not burdensome (Usmani, 2021). The implementation of IMBT is very relevant in the context of globalization, which requires innovation in the financing sector that is sustainable and does not harm Muslims.

However, although the *ijarah* and IMBT contracts offer great potential in creating fair and sharia-compliant transactions, the challenges in their implementation are still quite large. One of the main obstacles is the dominance of a more established traditional economic system that has become accustomed to practices that contain usury. In addition, the lack of public understanding of Islamic economic concepts, including the mechanisms and benefits of the *ijarah* and IMBT contracts, is also an obstacle to the widespread implementation of these contracts. More intensive education and socialization are needed so that the public can understand the great potential of the *ijarah* and IMBT contracts in supporting the economic independence of Muslims (Antonio, 2001)

This study aims to analyze the role of the *ijarah* contract, both the general one and the *ijarah* Mutanaqqilah Bi al-Tamlik (IMBT), in building the economic independence of Muslims amidst the challenges of globalization. This study will also examine the benefits that can be obtained from the implementation of these contracts, as well as the challenges faced in their implementation. By using a qualitative approach based on literature studies, this study hopes to provide a deeper understanding of the importance of the *ijarah* contract as a fair, clear, and sustainable economic system, and provide a solution to the dependence of Muslims on the conventional economic system. This study is expected to contribute to the development of sharia economics and encourage the economic independence of Muslims in an increasingly global world. (Askari *et al.*, 2012)

LITERATURE REVIEW

Globalization presents challenges for Muslims, especially in reducing dependence on traditional economic systems that contain usury and injustice. As an option, Islamic economics offers muamalah contracts, one of which is the *ijarah* contract. This contract is based on clear, fair, and usury-free rent, firmly regulating the rental relationship, thus creating fairer transactions (Hatta M, 2022)

In addition to the *ijarah* contract, *Ijārah Mutanāqqilah Bi al-Tamlik* (IMBT) also has an important meaning. IMBT provides an option for tenants to buy the rented goods after the lease period is over, which allows access to ownership of goods without interest. (Usmani, 2021) Both of these contracts support an inclusive and sustainable sharia-based economy.

However, the implementation of these contracts faces challenges, especially the dominance of the traditional economic system that still dominates in many countries. In addition, the lack of public understanding of Islamic economics is an obstacle in expanding its application (Antonio, 2001).

Education and socialization of Islamic economics are very important so that people better understand and use Islamic contracts in their economic lives. Overall, *ijarah* and IMBT contracts can play an important role in reducing dependence on the traditional economic system and encouraging a fairer and more sustainable Islamic economy, with the support of strong institutions and innovation in the Islamic financial sector (Askari *et al.*, 2012)

RESEARCH METHOD

This study uses a literature study method with a qualitative descriptive-analytical approach, where data is obtained from secondary sources such as scientific journals, books, research reports, and relevant official documents.

Data collection techniques are carried out by identifying literature related to ijarah contracts, Islamic economics, and globalization, then selecting sources based on their credibility and contribution to the focus of the study.

Data analysis is carried out by grouping information based on main themes, comparing existing theories and findings, and synthesizing research results to obtain comprehensive conclusions.

This method allows researchers to explore the concept, potential, and challenges of ijarah contracts based on existing literature, without the need for primary data collection.

RESULTS AND DISCUSSION

1. The Role of Ijarah Contract in Supporting the Economic Independence of Muslims in the Era of Globalization

Ijarah contract is one of the main tools in Islamic economics that provides an important contribution in supporting the economic independence of Muslims, especially in the era of globalization which is greatly influenced by conventional economics. The concept of ijarah is basically a lease, where one party (the lessee) pays a certain amount of compensation to the other party (the lessor) to obtain benefits from certain goods or services within an agreed time. The main difference with the conventional economic system is that the ijarah contract is free from interest (riba), which is one of the main principles in Islamic economics (Laub, 1999)

Amidst the challenges of globalization that prioritizes an interest-based economic system, the ijarah contract provides a fairer and clearer alternative, in accordance with sharia principles. In its implementation, the ijarah contract can be used in various sectors, such as Islamic banking, purchasing property, vehicles, and other goods. Through this contract, Muslims can access the goods and services they need without being trapped in an interest-bearing financing system that is often burdensome. The most common example of an ijarah contract is home financing through Islamic banking, where the bank acts as the lessee and the customer as the lessee of the goods (house), with a certain rental period and an option to buy after the rental period ends (Hatta M, 2022)

The ijarah contract not only provides a financing solution, but also encourages the economic independence of Muslims by ensuring that transactions are carried out in a legal and sharia-compliant manner. By avoiding practices that contain elements of usury, such as those found in conventional loans, the ijarah contract strengthens the position of Muslims in the wider global economy and helps them become more independent in meeting their financial needs (Usmani, 2021).

2. Challenges in Implementing the Ijarah Contract in the Context of Globalization and the Conventional Economic System

Although the ijarah contract offers many benefits and opportunities in supporting the Muslim economy, its implementation in the context of globalization and the conventional economic system is not without challenges. One of the main challenges is the dominance of the established and widely accepted interest-based economic system (riba) in global transactions. This system has become an

important part of the international market, so changing or replacing it with sharia-based contracts requires significant adjustments. This causes the transition to an Islamic economic system, including the implementation of the ijarah contract, to face significant obstacles, especially in countries with a dominant conventional economic system (Carson *et al.*, 2021)

Another challenge is the lack of public understanding of basic concepts in Islamic economics, such as the ijarah contract and other sharia mechanisms. In many regions, Islamic economics and sharia principles are still considered foreign, especially among people who are not used to *riba*-free transactions. The lack of education and socialization regarding the benefits and principles of Islamic economics can hinder the wider implementation of the ijarah contract. Therefore, to expand the use of this contract, greater efforts are needed in Islamic economic education, both among the general public and among professionals in the financial sector (Askari *et al.*, 2012)

In addition, although the ijarah contract offers a fair and clear system, regulatory factors and government policies that support the interest-based financial system are often major obstacles in the implementation of this contract. Without the support of firm policies and sufficient regulations, the existence and implementation of the ijarah contract in the global economy will be difficult to develop optimally (Carson *et al.*, 2021)

3. Contribution of the IMBT Contract in Creating a Fairer and Clearer Economic System for Muslims

Ijarah Mutanaqqilah Bi al-Tamlik (IMBT) is one type of ijarah contract that also has great potential in creating a fairer and more transparent economic system. IMBT is a rental contract that allows the lessee to purchase the leased goods after the lease period ends, in a flexible and non-burdensome manner. In this contract, the leased goods will transfer ownership to the lessee, either partially or completely, depending on the existing agreement. The main advantage of IMBT is that this contract allows transactions that are free from usury, which is often a burden in interest-based financing systems (Ahmed, 2017)

The contribution of IMBT in creating a fairer and more transparent economic system lies in its flexibility in providing alternative financing without involving interest. IMBT can be used in various economic sectors, such as purchasing houses, vehicles, and other properties, where the tenant has the opportunity to buy the leased goods at the end of the lease period. This provides an opportunity for Muslims to own goods without being trapped in an interest-bearing financing mechanism. Therefore, IMBT is an important tool in a more inclusive and sustainable Islamic economic system, because it provides opportunities for people to access goods and services in a manner that is in accordance with sharia principles (Carson *et al.*, 2021)

In addition, IMBT has great potential to support financial inclusion, especially in developing countries that may not have easy access to interest-bearing financing. By using the IMBT principle, people can obtain goods needed for their daily lives without being entangled in the burden of interest that burdens their finances, which in turn creates a fairer economic system (Laub, 1999) Therefore, IMBT is very relevant in supporting the economic independence of Muslims, especially in the midst of globalization which increasingly requires innovation in the financing sector.

CONCLUSION

In facing the era of globalization, the implementation of the ijarah and Ijarah Mutanaqqilah Bi al-Tamlik (IMBT) contracts provides an important solution for the economic independence of

Muslims. The ijarah contract, which is based on rent, provides an alternative financing system that is free from usury and injustice, which is very suitable as a substitute for the conventional economic system that contains interest. In this case, the ijarah contract not only provides financial benefits, but also supports the creation of fairer, more transparent, and sharia-compliant transactions. This provides an opportunity for Muslims to access goods and services without being trapped in the burden of burdensome interest, which often occurs in the conventional economic system.

In addition, the IMBT contract plays an important role in creating a more inclusive, flexible, and sustainable financing system. IMBT allows Muslims to obtain the goods they need, while providing an ownership option after the lease period ends. This system not only meets the economic needs of the community, but also encourages financial inclusion for those who were previously marginalized by the interest-based financing system. Therefore, IMBT has great potential to support economic sustainability and provide solutions to the challenges faced by Muslims in the midst of an increasingly complex global economy.

However, although the ijarah and IMBT contracts have great potential, the main challenges in their implementation are the dominance of the conventional interest-based economic system and the lack of public understanding of Islamic economics. Therefore, to expand the application of these contracts, deeper education is needed regarding the principles of Islamic economics and their role in creating a fairer and more sustainable economy. This requires support from various parties, including financial institutions, the government, and the community to create a better ecosystem for the application of ijarah and IMBT contracts in everyday economic life.

Overall, the application of ijarah and IMBT contracts is very relevant in strengthening the economic independence of Muslims, creating transactions that are in accordance with sharia principles, and opening up new opportunities in the financing sector. If implemented correctly, these two contracts can make a major contribution to building a more inclusive and sustainable Islamic economy amidst the increasingly deep challenges of globalization.

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