

THE RELATIONSHIP OF ISLAMIC BUSINESS ETHICS WITH MUAMALAH FIQH AND ISLAMIC ALLIANCE LAW

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Abstract

This article discusses the relationship between Islamic business ethics, fiqh muamalah, and Islamic law of engagement in the context of Islamic business. Islamic business ethics is an important aspect of Islamic business principles, which emphasize the importance of ethical behavior in business transactions. Fiqh muamalah, as part of Islamic law, provides the legal framework that governs business transactions and other economic activities in Islam. Islamic law of obligations also plays a crucial role in regulating contracts and agreements in business. The researcher used a qualitative methodology. The data was obtained from books, relevant journals and the internet. The method of analysis used is descriptive analysis. The results of this study show that there is a close relationship between Islamic business ethics, fiqh muamalah and Islamic binding law. This is because fiqh muamalah is a branch of fiqh science that deals with the rules and laws that apply to transactions, business, and engagement in daily life, including in the business context. By adhering to Islamic business ethics, understanding fiqh muamalah, and following Islamic laws, Muslim business people can help create a more ethical business environment that is in line with Islamic values.

Keywords: *Islamic business ethics, Fiqh Muamalah, Islamic Binding Law*

1. INTRODUCTION

As Muslims, most may not understand the importance of doing business with halal. Since most of the people are necessarily Muslims, they are still engaged in usury business that generates haram income. Especially in this day and age, there are advanced technological developments that can facilitate the process of doing business, which is nothing but a usury business that is very popular in today's society. (Pratiwi, n.d.)

Basically, all forms of mu'amalah or transactions are allowed (mubah) until there is a proposition or argument that forbids it. Islam has principles in developing a business system that must be free from elements of jahalah (uncertainty), dharar (danger), and zhulm (loss or injustice to one party). (Pratiwi, n.d.)

Business activities are legitimate and permissible, especially in today's world where business people are looking for ways to dominate their target market. (Mardani, 2014) Business in Islam basically belongs to the category of muamalah whose original law is based on the rule of jurisprudence: "The original law in matters of muamalah is mubah (permissible) until there is a proposition that forbids it."

Islam associates muamalah issues with ethics, namely honesty, trust, justice, compassion, kindness, friendship and compassion. In addition, Islam also links all areas of life with ethics. Science, politics, economics, and war cannot be separated from ethics. In short, ethics is an inseparable part of Islamic life. (Mardani, 2017)

One of the most important studies in Islam is business ethics. Ethics can be interpreted as the basis of a person's morality and at the same time as a philosopher of his behavior. Business ethics, as Muhammad Saifullah says in his book quoted by Fakhry Zamzam and Havis Aravik, "Business ethics is a set of principles about good, bad, right, wrong behavior, and so on that are applied in business."

2. IMPLEMENTATION METHODS

The nature of this research is qualitative research with an analytical descriptive approach, and the method used is the collection of a number of data through *library research*, namely the use of literature data to obtain relevant conclusions. Data collection is done by searching journals, books, and articles related to Islamic business ethics. After the data source is collected, the author will analyze in detail and then draw conclusions as a result of the research conducted.

3. RESULTS AND DISCUSSION

Basic Concepts of Islamic Business Ethics

There are two definitions of ethics, first, ethics as morality, that is, a set of specific rules and moral principles that direct human behavior throughout life. Second, ethics as logical and critical thinking. Human beings can act freely yet responsibly when guided by ethics.(Mardani, 2014)

Ethics as developed by O.P Simorangkir quoted by Darmawati in his journal states that moral philosophy is called ethics. Therefore, morality is the goal of ethics. The phrase morality refers to the behaviors and actions that set the boundary between right and wrong, as well as the rules that govern them and the values that are upheld or want to be achieved.(Darmawati, 2013)

Business is the act of a person with the aim of seeking profit and obtaining prosperity and economic progress.(Aprianto et al., 2020) While Islamic economics is a scientific study that evaluates humans in a human activity who have a vision of life by meeting their needs with the aim of promoting peace, tranquility, prosperity both in the world and in the hereafter.(Dahruji & Gems, 2017)

Therefore, it can be said that ethics is a collection of moral rules that distinguish what is right and what is wrong, while business is a series of events involving business people, so ethics are needed in business. Thus it can be known that business ethics are ethical norms or guidelines accepted by a business, both as an institution or organization, as well as in its business relations with its stakeholders.(Darmawati, 2013)

Sharia business as stated by Muhammad quoted by Dahruji in his journal said that based on its ethics, sharia business embodies the laws of Allah's sharia. Islamic business is actually not much different from business in general-business is an effort to create or produce goods and services to satisfy customer needs. However, what distinguishes sharia business from business in general is its ethical component, namely muamalah that obeys the commands of Allah and sharia. The characteristics and characteristics of sharia business, each of which has its own uniqueness and quality, can be used to distinguish what is sharia and what is not.(Dahruji & Gems, 2017)

It has been defined that Islamic business, also known as Islamic business, is defined as economic business activity in various forms that are not restricted in terms of ownership of goods or services, but are restricted in terms of how assets can be acquired and used due to haram and halal rules in Islam.(Sahlan, 2016)

Naturally, Islamic trade was promoted on the basis of equality and fair competition. Islamic business is based on profit-seeking efforts while upholding Sharia principles. Entrepreneurs must have ethics; Islamic business ethics include abstaining from obscure matters, refraining from games, avoiding discrimination, avoiding usury, avoiding fraud, avoiding goods or products that are haram, and avoiding corporate monopolies.

In Islam, business ethics refers to a set of rules that business people must follow when running a business to achieve their goals. These rules include what is considered right and wrong, as well as what actions or behaviors are acceptable and unacceptable. In Islamic trade, it is very important for both parties to have a thorough understanding of the goods they exchange, including quantity, quality, price, and delivery time. Both parties should be fully aware of each other's prices to avoid selling at a discount or premium above the asking price. (Sumalati et al., 2022)

The Islamic legal perspective on business ethics actually applies moral principles to all commercial transactions and interpersonal relationships. The four qualities that encompass this moral standard are shiddiq, amanah, tabligh, and fathonah. These four traits are necessary to ensure that economic and financial institutions are professionally managed and social, commercial, and economic exchanges follow the rules of the game. (Dahwal, n.d.)

Basic Principles of Islamic Business Ethics

The values of business ethics that refer to the Qur'an and al-Hadith practice several things, namely:

1. *Tawhid/Unity* A unity that provides economic, social relations that will form an important thing for the Islamic order. Tawhid is a theological discourse that underlies all human activities, including in business. Tawhid awakens man as a divine being or a divine being. Thus, in doing business humans cannot be separated from the supervision of Allah SWT and in order to carry out the commandments of Allah SWT. (Badroen et al., 2006)
2. *Equilibrium* which means balance or fairness, in Islam is certainly very required to do justice, especially for businesses that are strictly prohibited from committing fraud to cause hostility. Equilibrium means not to be excessive (extreme) in the pursuit of economic gain. Unlimited individual ownership, as in the capitalist system, is not justified. In Islam, property has a strong social function. (Badroen et al., 2006)
3. *Free will* Which means a free will, freedom in this case does not harm others and has an important role in Islamic business ethics. In economics, people are free to implement Islamic rules. Because of economic problems, including aspects of mu'amalah, not worship, the general rule of "all may be except forbidden" applies. What is not allowed in Islam is injustice and usury. In this state human freedom is not absolute, but is a responsible and just freedom. (Badroen et al., 2006)
4. *Responsibility* Responsibility is the duty performed by each individual to uphold the common interest and freedom to participate in any activity over which a person or organization is authorized. In Islam, property is considered a business commodity and is subject to accounting requirements before Allah Almighty. (Badroen et al., 2006)

Therefore, to reduce the number of acts that are contrary to Islamic principles or that are forbidden, systems, procedures, and activities must refer to this principle. (Sampurno, 2016)

Basic Principles of Muamalah Fiqh

Muamalah fiqh is one of the branches in Islamic jurisprudence that deals with aspects of laws related to social and economic interactions in everyday life. The basic concepts of muamalah fiqh include the principles governing various transactions and social relations in Muslim societies. Here are some basic concepts of muamalah fiqh.

According to Yusuf Qardhawi, the ethical principles of religion, humanity, and convention form the foundation of a clean Islamic market in terms of control of Islamic circulation or trade: (Taqiyudin, 2020)

1. The principle → of the law of origin in muamalah jurisprudence is that everything is considered halal unless there is a clear proposition stating otherwise. That is, in the case of muamalah, all transactions are considered valid and lawful unless there is evidence that forbids it.
2. Prohibition of → riba Riba is the practice of interest or riba in financial transactions that is prohibited in Islam. This basic concept states that any form of interest or riba is haram in muamalah.
3. Prohibition of *gharar* and *maisir* This concept prohibits transactions containing excessive uncertainty → (gharar) or gambling (maisir).
4. Justice and Equality → Fiqh muamalah emphasizes the principle of fairness and equality in transactions. All parties to a transaction must be treated fairly, and there must be no exploitation or injustice in doing business.
5. Ownership and property rights → This basic concept governs the right of ownership and use of property in muamalah. Islam recognizes the right of individuals to own and control their property, but also regulates the transfer of ownership and division of inheritance.
6. Akad (Agreement) → Fiqh muamalah emphasizes the importance of the agreement or contract in transactions. All legitimate transactions must be based on a clear agreement and agreed upon by all parties involved.
7. One → important aspect of muamalah jurisprudence is the laws governing buying and selling. It includes principles such as honesty, fairness in pricing, and conditions that must be met in order for a sale and purchase transaction to be valid.
8. → Fiqh muamalah forbids the buying and selling of goods considered haram in Islam, such as alcohol, pork, and other prohibited items.

The basic concept of muamalah fiqh aims to create a social and economic environment that is in accordance with Islamic principles, involving justice, transparency, and care for the welfare of the Ummah.

Basic Concepts of Islamic Alliance Law

According to Subekti, an engagement is a legal relationship in which two or more people are allowed to sue each other and are required to comply with the provisions of the Civil Code. According to Subject, a covenant is a state in which two or more people promise each other to do something. These people formed a relationship known as an engagement as a result of the events of this covenant. As a result, covenants and engagements are interrelated because covenants create engagements. The

agreement is one of the sources of engagement, as specified in Article 1233 of the Civil Code.(Dewi et al., 2020)

The Islamic law of engagement is part of the law of muamalah, which governs how human beings behave in their economic relations with each other. Islamic engagement law, according to M. Tahir Azhary, as quoted by Gemala Dewi, is a set of rules governing the relationship between two or more persons with respect to an object that is authorized to be the subject of a transaction. These rules are taken from the Qur'an, as-sunnah, and *Ar-Rayu'* (ijtihad).(Dewi et al., 2020)

According to A. Gani Abdullah, the importance of the pledge element (ijab and Kabul) in every transaction is the most distinctive starting point in Islamic engagement law. There is an 'aqdu (engagement) if two vows made by the parties are accepted and followed by vows.

Principles of Islamic Alliance Law

There is the main principle that underlies every human action, including the act of muamalah, *that is* The divine principle or the principle of monotheism.(Dewi et al., 2020)

1. Divine principle

No human behavior or deed is exempt from the rules of Allah Almighty. Other muamalah deeds and activities will never be separated from divine principles. As a result, humans must account for this.

In Islamic engagement law, the Divine Principle, also known as the Principle of Tawhid, is a fundamental teaching that speaks of faith and submission to Allah Almighty. This principle emphasizes that everything belongs to Allah Almighty. This principle highlights the fact that everything belongs to Allah Almighty and that every human activity and behavior must be based on His commands.(Nida, n.d.) Regarding legally binding agreements, the Divine Principle mandates that the parties implement the provisions of Islamic sharia and refrain from acts contrary to religious prohibitions.(Yulianti, 2008)

In Islamic banking practice, for example, these principles are applied in the contracts used, such as the mudharabah contract, which is a form of profit-sharing agreement in the Islamic economy.(Muayyad, 2015) The implementation of the Divine principle and other principles in sharia agreements aims to create transactions that are fair, free from usury, and in accordance with the provisions of Islamic sharia.(Munadi, 2018)

Every human act is subject to the rules of Allah Almighty, in accordance with the Divine Principle, which is also known as the Tawhid Principle in the Islamic alliance law. Man has obligations to God, society, others, and himself when making covenants. Man is forbidden to act arbitrarily in covenant by this principle.(Yulianti, 2008)

This principle of divinity is very important in Islamic engagement law because it mandates that all human agreements and actions must follow Islamic sharia and must be accountable to Allah Almighty.(Halim & Azhari, 2020)

According to this principle, the parties to any covenant should always remember God, obey His laws, and abstain from His prohibitions.(Anugraini, 2020)

Within the framework of the mudharabah agreement, the divine principle serves as a very important foundation, which gives divine values precedence over all other considerations in all matters undertaken by the parties.(Halim & Azhari, 2020) According to this idea, Allah

Almighty should be held accountable for all actions taken during Islamic financial transactions. (Muayyad, 2015)

Therefore, the Divine principle in the Islamic law of engagement highlights the importance of executing the covenant in accordance with Islamic sharia and constantly keeping Allah Almighty accountable for every action performed in the agreement.

2. The principle of freedom (*al-Hurriyah*)

Islam allows the parties to freely join the agreement. The parties decide on the structure and substance of the agreement. If its form and content have been agreed, then all rights and obligations must be upheld and the agreement binding on the parties.

3. The principle of equality, also known as *al-Musawah*

One approach to meeting one's needs is through the act of muamalah. This shows that everyone among fellow humans has advantages and disadvantages. For this reason, everyone has the same opportunity to make a contract. Based on this principle of equality or equality, the parties ascertain their relative rights and obligations in performing this engagement. The engagement must not contain elements of adultery.

4. The principle of justice (*al-'is*)

In this principle, the parties to the engagement are required to be righteous in the expression of will and circumstances, fulfill the agreements they have made, and fulfill all their obligations. Fairness must be reflected in the deeds of muamalah. Therefore, Islam regulates things that are contrary to the attitude of justice that should not be done by man. This is also called tyranny, some things that are included in tyranny, including usury, unfair scales, debt payment for those who can afford it, and so on.

5. The principle of voluntariness (*al-ridha*)

A transaction may only be voluntary or voluntary. When coercion or deception is used to commit an act of muamalah, such as trading, it is not justified. The action can be undone if this happens. This optional component demonstrates the sincerity and goodwill of the parties.

6. The principle of honesty and truth (*ash-Shidq*)

Man must be honest in all aspects of life, not least in the implementation of muamalah. The validity of the engagement itself will be harmed if this honesty is not used in the interaction. If an act of muamalah provides benefits to the environment, society, and contracting parties, then the act is considered right. Actions that are considered muamalah and that cause damage are prohibited.

The Relationship of Islamic Business Ethics with Muamalah Fiqh and Islamic Alliance Law

Fiqh muamalah, Islamic alliance law, and Islamic business ethics are closely related and complementary. Business people operating in accordance with Islamic teachings are required to adhere to a set of moral norms and principles known as Islamic business ethics. A subfield of jurisprudence known as muamalah jurisprudence governs interpersonal relationships and business transactions in Islamic civilization. The legislation governing agreements and contracts between parties in commercial transactions in line with Islamic sharia is known as Islamic engagement law.

The application of the concept of business ethics in contracts and agreements shows the impact of business ethics on Islamic engagement law. Honesty, fairness, transparency, and mutual benefit are some of the concepts of Islamic business ethics related to Islamic engagement law. The way the

parties enter into agreements, exercise their rights and responsibilities, and resolve potential conflicts will be affected by the application of these standards of business ethics.

Islamic business ethics are moral and ethical rules that parties must abide by when executing their agreements within an Islamically binding legal framework. Applying Islamic business ethics can help ensure that contracts and agreements are in accordance with Islamic sharia and do not contradict applicable laws or customs. (Sasmita, 2020) In addition, implementing Islamic business ethics will encourage fair, open, and mutually beneficial business interactions among the parties, which will enhance cooperation and trust in commercial transactions. (Pratiwi, n.d.)

Islamic business ethics also reflect this prohibition and encourage usury-free financial practices. Islamic business ethics promote fair profits and do not harm others. This principle is in line with Islamic alliance law, which requires fair conduct in contracts. Then, Islamic business ethics also includes the concept of social responsibility (CSR) in business, which requires companies to benefit society and the environment. This principle is in line with the values of goodness and justice in the fiqh of muamalah.

Thus, Islamic business ethics not only includes moral aspects, but also relies on the provisions of Islamic law in muamalah jurisprudence and Islamic engagement law. This makes it a comprehensive framework for Muslim business people who want to conduct their business in accordance with the principles of their religion. Therefore, muamalah fiqh, Islamic engagement law, and Islamic business ethics complement and impact each other. In addition to fostering a more trustworthy and cooperative corporate climate where parties engage in fair, transparent, and Islamic-compliant transactions, the incorporation of Islamic business principles into Islamic engagement law will also help develop these qualities.

4. CONCLUSION

In the context of Islamic business, the close relationship between Islamic business ethics, muamalah jurisprudence and Islamic engagement law is very important. Islamic business ethics emphasizes the importance of ethical behavior in all aspects of business life, which is reflected in principles such as honesty, fairness, and social responsibility. These principles form the basis of the Muslim Business Code of Ethics. Fiqh muamalah, as an integral part of Islamic law, provides the legal framework governing business transactions and other economic activities. This includes rules and regulations that support the application of Islamic principles of business ethics in everyday business practices. Islamic engagement law also plays a central role in regulating contracts and agreements in business. It contains provisions regarding rights and obligations in business contracts as well as rules regarding profit sharing and responsibility to third parties. By adhering to Islamic business ethics, understanding muamalah fiqh and following Islamic alliance law, Muslim business people can help create a more ethical business environment that is in line with Islamic values.

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