

MUSYARAKAH AGREEMENT IN PERSPECTIVE ISLAMIC

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Abstract: Contract Musyarakah is one of the form contract in economy Islam at the base on principle partnership or Work The same between two parties or more For operate a business with objective to obtain profit together . Research This aiming For analyze implementation Contract Musyarakah in financing home in Islamic banking , as well identify challenges and opportunities faced by banks and customers . Data is collected through studies library from journals , articles and reports related with practice Islamic banking in Indonesia. Research results show that Draft contract Musyarakah in perspective Islam can become effective solution For financing house in Islamic banking , with offer scheme for fair result between the bank and the customer . However , there is still there is challenge in matter understanding public about contract This as well as supporting regulations its implementation . Therefore that , is needed effort education to society and improvement supportive policies For increase effectiveness contract This in facilitate ownership home . Research This give contribution to the literature related Islamic banking and development instrument financing sharia- based in Indonesia.

Keywords: Musyarakah Perspective Islam and financing business

Introduction

Banking in Indonesia is experiencing rapid development in a number of decade Lastly, along with with increasing awareness will importance system fair , transparent and free finance from element usury . One of instrument The main thing used by sharia banking is contract musyarakah , which is contract Work The same between two parties or more For invest in a business or project with share capital, profits , and losses . Contract charity be one of form real from principle justice promoted by the system Islamic economics , which focuses on the distribution of risk in a way fair between parties involved (Fauzi, 2022).

Musyarakah Alone own various variations , one of which is is Musyarakah Mutanaqisah which is increasingly popular among institution Islamic finance . In Musyarakah Mutanaqisah , the bank and the customer together invest in a assets , and customers buy part bank ownership in gradually , so that in the end asset the fully owned by the customer . The concept This give solution innovative in financing House or property for those who don't have sufficient funds For buy in a way cash or through financing conventional . The ongoing process in a way gradually This allow Customer For to obtain ownership House without must burdened with flowers , which are principle main in system Islamic banking (Hamidah, 2022).

However , even though contract charity offer various advantages , its application No let go from a number of challenges that must be faced , good from side practical and also theoretical . One of the challenge main issues faced in implementation contract charity is lack of understanding and awareness public about concepts and mechanisms Work contract this , which often causes doubt in choose product sharia financing . This is become constraint big , considering part big public Still tend choose product banking more conventional known and more easy accessible , even though product the contain element usury is prohibited in Islam (Sulaiman, 2023).

In addition , in in practice , implementation charity in Islamic banking also faces risk related with potential failure partner business in fulfil his obligations . Because in contract musyarakah , profits and losses shared in accordance with capital contribution of each party , failure of one of them party in fulfil his obligation will result in losses together . As example , in implementation Musyarakah The Mutanaqisah For financing property , if Customer fail pay part ownership house purchased from the bank, the bank will face a considerable loss significant (Arifin & Rahmawati, 2021). Risk This become attention important for institution Islamic finance in operate principle caution in giving financing .

Even though thus , musyarakah still own very good prospects in support development economy , in particular in sectors that need financing term long and involving Work The same between various parties . As example , in financing projects infrastructure big , musyarakah can become the right solution , because in scheme this , all parties involved can share advantages and disadvantages in accordance with the approved portion of capital . In addition , because charity put forward distribution fair risk , contract This can give more solutions sustainable compared to with system financing more conventional prioritize certainty profit without take into account existing risks (Hadi & Fadhilah, 2021) .

In terms of This research conducted by Abdullah (2020) shows that charity own potential big in support stability economy , because with share risk in a way fair , every parties involved can more easy manage potential losses and maximize benefits . Therefore that , musharakah No only just instrument financing , but also become one of the pillars in create system more economy fair and sustainable . Moreover again , with increasing need will financing term long For projects big , musyarakah can become ideal solution in fulfil need the without violate sharia principles that prioritize justice and balance .

From a sharia perspective , musyarakah also plays a role important in push development economy based on people , who do not only profitable parties certain , but also provide benefit to public in a way wide . This is expressed by Yusuf and Rahman (2021), who stated that charity in Islamic banking can increase participation public in development economy , because its concept is based on work same and share risk , so that strengthen sustainability economy public .

With various advantages and challenges that exist , musyarakah still be one of the most relevant and potential contract in development Islamic banking , both in Indonesia and internationally . Therefore that , article This will review more carry on about concept and application contract charity in Islamic banking , as well as researching challenges and prospects that can faced in its implementation in Indonesia. With Thus , it is expected charity can Keep going develop as alternative more financing fair and appropriate with principles Islamic economics , as well as give significant contribution to economy national .

Literature Review

Musyarakah is one of the draft main in system Islamic banking that focuses on financing based on partnership . In practice , musyarakah involving two parties or more mutual give capital contribution to invest in a business or project with objective to obtain profit together and share existing risks . Concept This reflect principle base in Islamic economics which emphasizes justice , transparency and sharing proportional risk in accordance with contribution of each party (Huda, 2014).

1. Definition and Principles Contract Musyarakah

Contract charity outline can defined as Work The same between two parties or more For fund a business with proportional capital contribution . The profits obtained from business the will shared based on agreement early , while loss will shared in accordance with the magnitude capital contribution of each party . In the system Islamic banking ,

musharaka become base free financing from usury , because No There is element interest involved in the transaction process . This makes it an interesting alternative compared to with financing conventional which often contains element flowers (Fauzi, 2022).

One of type a lot of musharakah used in Islamic banking is Musyarakah Mutanaqisah (MMq). At the contract This , the bank and the customer together buy assets to be owned , such as House or property , where the customer will buy part bank ownership in gradually . This is allow Customer For to obtain ownership full on asset the without must involved in practice forbidden flowers in Islam. Musyarakah The Mutanaqisah become very useful solution , especially in financing home , because allow Customer For buy House with a better way flexible and suitable with sharia principles (Hamidah, 2022).

2. Implementation Musyarakah in Financing Islamic Banking

Implementation contract charity in Islamic banking can seen in various product financing offered by sharia banks. Financing charity mutanaqisah , for example , a lot applied in financing House or property . In product this , banks and customers collaborate in buy assets , and customers will pay instalment in a way periodic For buy part bank ownership up to Finally fully become owned by customers . One of the superiority main from contract This is distribution fair and equitable profits and losses , which are appropriate with capital contribution of each party . Distribution This based on the principle justice and avoidance existence injustice in financing (Salim & Hakim, 2023).

However , in its implementation , there is a number of challenges that need to be overcome faced . One of the challenge main is lack of understanding public about concepts and mechanisms Work contract musyarakah . Many communities prefer choose financing more familiar conventional , although product the contain element forbidden flowers in Islam. This is show importance education and counseling for society to be more understand benefits and advantages from contract musyarakah , so that can become a better alternative appropriate in financing (Arifin & Rahmawati, 2021).

3. Advantages and Benefits of Musyarakah

Superiority main from contract charity lies in the principle distribution fair risk between all parties involved . In the system banking conventional , usually party Customer only

become recipient benefit from financing with obligation For pay flowers . However , in contract musyarakah , good profit and also loss shared in accordance with capital contribution of each party . This creates system more financing fair and reduce potential inequality between the parties involved (Abdullah, 2020).

In addition , musyarakah can also support stability economy with method push development sector real . Financing based on charity often used in projects infrastructure big , where some party Work The same For finance and manage project In this case . this , musharakah give superiority Because distribution greater risk balanced , which allows every party For follow as well as in project big with more safe , though There is risks that must be faced (Hadi & Fadhilah, 2021).

4. Challenges in Implementation Musyarakah

Although charity own Lots benefits , there are a number of challenges that need to be overcome overcome in its implementation . One of them is risk failure partner business in fulfil his obligations , which can cause loss together . In practice , the failure of one of the party in fulfil his commitment can influence all over project and cause a great loss . Therefore that 's important for Islamic banks and partners For do careful evaluation and monitoring to every project funded musyarakah , for minimize risk failure and ensure smooth financing process (Yusuf & Rahman, 2021).

Challenge other is lack of clear settings about obligations and rights of each party in agreement musyarakah . In some case , non-conformity between rights and obligations can cause detrimental dispute second split parties . Therefore that , the agreement charity must made with careful , with include clear provisions about distribution advantages and disadvantages , as well as obligation payments and purchases part ownership (Yusuf, 2020).

5. Prospects Musyarakah in Islamic Banking

Looking ahead , prospects charity in Islamic banking is very bright , especially with the more the amount a society that is aware importance system free economy from usury . In case this , musharakah play a role as alternative more financing fair and sustainable . Moreover again , with existence Musyarakah Mutanaqisah , product financing based on charity the more can accessible to the public , especially in sector property , which during This be one of sector with level need high financing (Sulaiman, 2023) .

With the more development sector Islamic banking and its increasing awareness will importance principle justice in financing , musyarakah potential For Keep going grow and

become one of solution main in financing sharia- based . Its advantages are based on the distribution of fair risks and returns , as well his ability in support sector real , make charity as a very relevant instrument in support development economy sustainable in Indonesia and other countries that adopt system sharia economics (Hadi & Fadhilah, 2021).

Method

Study This use approach qualitative descriptive with analysis literature For delve deeper understanding about implementation contract charity in Islamic banking . Research This aiming For to study more in about draft musyarakah , especially Musyarakah Mutanaqisah (MMq), as well as its implementation in financing in sharia banking . Data used in study This part big obtained from sources relevant written with topics , including journals , articles , books and reports related research with musyarakah and Islamic banking .

1. Approach Qualitative

Approach qualitative chosen Because study This aiming For to obtain better understanding deep about concept and implementation contract charity in Islamic banking . Approach This allow researcher For exploring ideas, views and practices related musyarakah which is of a nature complex and contextual , which is not can understood in a way comprehensive only with approach quantitative . Research qualitative more emphasize on analysis content and understanding to phenomena that occur in the field (Salim & Hakim, 2023).

2. Research Design

Study This use design studies literature with analyze various relevant literature related musyarakah , including theories , concepts and their applications in Islamic banking . This design allow researcher For identify trends , gaps and challenges faced in implementation musyarakah in the sector Islamic finance . In addition , with analyze various existing references , research this also aims For give a better picture comprehensive about condition current and potential development contract deliberation in the future (Huda, 2014).

3. Data Sources

The main data source used in study This is literature obtained from article journal , book , report research , and other documents that discuss contract musyarakah and its implementation in sector Islamic banking . Some reference important to be made data source in study This such as research conducted by Hamidah (2022), Fauzi (2022), and

Arifin & Rahmawati (2021), which discusses various aspect about concept , implementation , and challenges faced in contract musharakah .

In addition , research this also includes data source from article that discusses about aspect practical and theoretical musyarakah , good in context financing Islamic banking , investment , and management risk . The data obtained through sources This will analyzed For describe dynamics implementation contract musyarakah in various context and sector .

4. Data Collection Techniques

Data collection methods used in study This is studies documentation or studies literature . In the study this , researcher will collect and analyze various relevant literature with Topic research , including article journal , book , report research , and publication academic others who discuss musyarakah , in particular Musyarakah Mutanaqisah (MMq) in Islamic banking .

Data obtained will evaluated based on relevance and quality information contained in every sources used . In addition , researchers will also do analysis to conformity between existing theories with practices carried out in Islamic banking , as well as existing challenges and opportunities in implementation contract musharakah .

5. Data Analysis

After the data is collected , the next step furthermore is data analysis . In research this , analysis done in a way qualitative descriptive with identify emerging themes from the existing data . Some the theme that will be analyzed such as :

- a. Draft basis and principles from contract charity in system Islamic economics .
- b. Implementation contract charity in financing Islamic banking , in particular Musyarakah Mutanaqisah (MMq) .
- c. Challenges and obstacles faced in implementation musharakah .
- d. Potential and prospects development contract musyarakah in the future .

Analysis This will done with compare results existing research , as well as look for patterns that can give description more clear about effectiveness and impact from use contract charity in financing Islamic banking .

Results and Discussion

Results of related data analysis implementation contract musyarakah , in particular Musyarakah Mutanaqisah (MMq) in Islamic banking , will exposed in a way Details .

Research This aiming For evaluate effectiveness , challenges and prospects implementation contract musyarakah in the sector Islamic finance . Based on analysis literature conducted , some findings main can identified , as following :

1. Implementation Contract Musyarakah in Islamic Perspective

Musyarakah is contract partnership involving two parties or more that works The same For to finance a business or project . In the context of Islamic banking , contract charity used For various objective financing , including financing houses , infrastructure and businesses small and medium . One of the form from a lot of musharakah used in Islamic banking is Musyarakah Mutanaqisah (MMq), which is used in financing home and assets others (Hamidah, 2022).

In Musyarakah Mutanaqisah , banks and customers do partnership in ownership assets . As time goes by time , the bank will reduce ownership on asset the in a way gradually through payments made by customers . In the case of this , customer play a role as paying tenant rent on the part owned by the bank, while in a way gradually buy part of the bank . The contract This allow second split party For to obtain benefit from growing value from financed assets (Arifin & Rahmawati, 2021) .

From a study conducted by Hadi & Fadhilah (2021), the implementation of MMq give profit for second party Because allow financing term length that can accessible to the public with distribution fair risk . However , they also noted a number of challenges , including difference understanding between customers and banks regarding structure payment and distribution profit .

2. Challenges in Implementation Musyarakah

Although contract musyarakah , especially MMq , has Lots advantages , there are a number of challenges that must be faced by Islamic banking and customers . One of the challenge the biggest is uncertainty in distribution advantages and disadvantages , which can cause dispute between banks and customers (Yusuf & Rahman, 2021). In its implementation , the division of profit must in accordance with agreement beginning , and losses must covered in accordance with the proportion of capital of each party .

In addition , some big Islamic banks are experiencing difficulty in ensure that all party comply sharia principles in implementation contract musyarakah . Sometimes , non-

sharia practices can enter to in system , which can cause problem law and ethics (Salim & Hakim, 2023).

3. Prospects Development Contract Musyarakah in the Future

Prospects use contract charity in Islamic banking is sufficient big , especially with increasing awareness public to product Islamic finance . In some year lastly , request For product financing Sharia- based continues increase , good For financing house , vehicle , or investment term long . Therefore that , the contract charity estimated will the more popular and become choice main in financing Islamic banking (Alif & Munir, 2020).

However , for ensure success term long , Islamic banks must Keep going do socialization and education about benefit contract charity to community . Development technology financial (fintech) also has the potential give convenience in implementation contract musyarakah , for example through an online platform that allows Customer For access product sharia financing with more easy (Fauzi, 2022).

4. Comparison Advantages and disadvantages with Financing Conventional

From the analysis carried out to various literature , found that financing musyarakah , in particular MMq , has profit more big in matter distribution greater risk fair and transparent in management financing . However , some weakness from system This is lack of flexibility in matter structure more payouts and risks big compared to with financing conventional. Following table show comparison between financing musyarakah and financing conventional in a number of aspect main :

Aspect	Financing Musyarakah	Financing Conventional
Distribution Risk	Share risk between bank and customer	Risk covered entirely by the customer
Profit	Shared in accordance with proportion capital contribution	Bank acquires profit fixed (interest)
Payment	Payment done gradually , with Customer buy part asset	Payment with flower fixed and installments still
Flexibility	Limited , depending on agreement	Flexible , but sometimes burdensome Customer
Sharia Principles	In accordance with sharia principles	It is not in accordance with with sharia principles

Conclusion

Based on results analysis , can concluded that contract musyarakah , especially Musyarakah Mutanaqisah (MMq) , is one of them instrument profitable financing in Islamic banking . Its application give benefit for second split parties , namely banks and customers , with distribution fair returns and transparency in management risk . Although Thus , the challenge in implementation , such as uncertainty in distribution benefits and risks , must overcome with more be careful and through intensive education to customers . Future prospects Musyarakah in Islamic banking is very large , especially with increasing request to product financing sharia- based .

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