



Sharia Economic Transaction Academic Effectiveness on the Level of Community Well-Being

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ABSTRACT

The purpose of this study is to establish the level of public understanding on the use of Sharia economic transaction contracts to improve people's welfare on a regular basis. Purposive sample of 58 respondents was utilized in this quantitative descriptive study. Multiple regression analysis is used in the study approach, with SPSS 23.00 as a data analysis test tool. In this study, observations, questionnaires, and interviews were the primary data collection methods. Secondary data is provided by the Central Bureau of Statistics and the Ministry of Religion. According to the findings of this study, many types of Islamic economic transaction contracts have had a significant impact on the degree of social welfare thus far, indicating that society is becoming increasingly massive with the principles of Murabahah, Salam, Ijarah, and Mudharabah.

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Abstrak: Penelitian ini bertujuan untuk mengetahui tingkat pemahaman masyarakat mengenai pelaksanaan akad transaksi ekonomi syariah dalam meningkatkan kesejahteraan masyarakat dari waktu ke waktu. Penelitian deskriptif kuantitatif ini menggunakan *purposive sampling* sebanyak 58 responden. Metode penelitian menggunakan analisis regresi berganda menggunakan SPSS 23.00 sebagai alat uji analisis data. Observasi, kuesioner, dan wawancara menjadi metode utama pengumpulan data dalam penelitian ini. Badan Pusat Statistik dan Kementerian Agama menyediakan data sekunder. Hasil penelitian ini bahwa berbagai jenis akad transaksi ekonomi syariah memberikan pengaruh yang kuat terhadap tingkat kesejahteraan masyarakat selama ini, hal ini menunjukkan masyarakat semakin masif dengan prinsip *Murabahah, Salam, Ijarah, dan Mudharabah*.

Kata Kunci: Akad, Transaksi Ekonomi, Syariah, Kesejahteraan Masyarakat

A. INTRODUCTION

Today, the progress of science, especially in the fields of economics and technology, is something that must be understood and applied in every economic transaction by all economic actors, both producers, consumers and the government. The means to satisfy demand must increase faster than the geometric and arithmetic rate of population growth, because the human population continues to grow. In line with these conditions, economic actors in both the conventional economic system and the Islamic economic system are increasingly in various forms of economic transactions. The development of Indonesia's sharia economy and finance continues to increase. According to the Financial Services Authority (OJK) report in June 2022, Indonesia's sharia financial market share increased to 10.41% from 10% in the previous year (Syafitri, 2021).

Seeing these conditions, it is very encouraging to see that more and more economic actors are adhering to sharia principles in their daily economic activities. However, the growth in sharia market share over the past year has been relatively low, namely 0.41 percent. Seeing these conditions, economic actors, including producers, consumers, and governments throughout Indonesia need to be motivated and made aware. Vice President K.H. Ma'ruf Amin said, Saturday (10/08/2022) on the sidelines of his remote participation in the National Meeting of the Sharia Economic Community from Central Jakarta, faster and concentrated efforts from all stakeholders in the economic and Islamic finance, not only at the center but also in the regions.

Small and Medium Entrepreneurs or SMEs are the backbone of the country's industrial base (Nizar, 2018). The growth of SMEs is fully supported by the government by providing various plans, programs, mechanisms and assistance (Rosyidah et al., 2019). Among other things, the formation of government agencies such as the M Service, Cooperative Office, Trade and Industry Office, government agencies really help SMEs in developing their business (Muhammad Nizar & Antin Rakhmawati, 2022). So that UKM actors together with the local regional government jointly develop businesses to improve people's welfare. Small and Medium Enterprises (SMEs) in DKI Jakarta have a broad impact on all economic sectors, whereas in other cities and provinces in Indonesia, the small industrial sector usually has great commercial potential. In DKI Jakarta, the industrial sector plays a bigger role in economic growth compared to the proportion of small business owners (Ariwibowo & Mauludin Insana, 2018). According to Dofiri et al., (2021), there are many benefits of applying Islamic economic principles or systems during an economic

crisis. These benefits include the ability of the Islamic economy to meet the needs of a large population, its broad multiplier effect, its ability to create jobs, and its adherence to the principles of justice and mutual cooperation. In addition, sharia principles not only consider profit but also factors such as *gharar* (uncertainty). Al-Quran and Hadith of the Prophet provide a comprehensive business framework, taking into account not only worldly matters but also the hereafter. According to (Maghfur, 2018), a business that is truly successful and virtuous, as mentioned in the Qur'an, is a business that brings benefits to its perpetrators both in this world and in the hereafter.

Islam is a comprehensive religion that seeks to regulate all aspects of human life. As Allah's vicegerents on Earth, humans have the responsibility and mandate to prosper the Earth. Allah's decree in Surah Al-Baqarah, verse 30:

وَإِذْ قَالَ رَبُّكَ لِلْمَلَائِكَةِ إِنِّي جَاعِلٌ فِي الْأَرْضِ خَلِيفَةً قَالُوا أَتَالَّذِي تَلْمِزُهُمُ الْعِبَادَ فِي الْأَرْضِ أَن يُسَفِكَ الدَّمَاءَ وَحَرِّمَ النَّسَبَ

بِحَمْدِكَ وَتُقَدِّسَ لَكَ قَالَ إِنِّي أَعْلَمُ مَا لَا تَعْلَمُونَ

And (remember) when your Lord stated to the angels, "I want to make a caliph on earth." They said, "Are you going to make people there who destroy and spill blood, while we magnify your glory and sanctify your name?" He replied, "Verily, I know what you do not know"

(QS. Al Baqarah: 30)

Then Allah said in the letter Hud verse 61:

وَالِي سَمُودَ إِخْوَانَهُمْ صَالِحًا قَالَ يَقُومُ أَعْبُدُوا اللَّهَ مَا لَكُمْ مِنِّ إِلَهٍ غَيْرِهِ ۚ هُوَ أَنشَأَكُمْ مِنَ الْأَرْضِ وَاسْتَعْمَرَكُمْ فِيهَا

فَاسْتَغْفِرُوهُ مِنِّي تَوَدُّوا إِلَيْهِ إِن رَجِيتُمْ قَرِيبًا مَّجِيبًا

Meaning: We sent their brother Saleh to the samud. He exclaimed, "My people! Worship Allah, for you have no other god. He created you from the earth (dirt) and made you prosperous from it; so, seek His forgiveness and repent before Him. "Indeed, my Lord is quite close (in His mercy) and accepts (the petitions of His people)" (QS. Hud: 61).

It is becoming increasingly clear that the economic system that has been followed up to this point has been unable to give solutions to welfare and justice in the middle of a downturn in the world economy that continues to decrease and gives rise to global poverty. In reality, excessive debt significantly contributes to poverty in many nations. At the same time, the worldwide economic crisis is putting the developing Sharia economic system to the test in ways it never has before.

This research aims to assess how well-informed the general public is about the role that sharia-compliant financial arrangements like *Murabahah*,

Salam, *Istishna*, *Mudharabah*, and *Ijarah* play in promoting societal well-being. Researchers at the Islamic Financial Center (IFC) PIK 2 in Jakarta have summarized the responses of some people involved in business and economic activities as producers, customers, and government officials through an initial assessment. With the proliferation of Sharia-based business models, it appears that moderate Muslims must struggle to develop a legal framework to guide them in their daily lives.

Users and proponents of the Islamic economic model are obligated to conduct all commercial dealings in a way that is consistent with Sharia law while the model is in effect. A robust relationship model among economic actors can be seen in their shared commitment to upholding Sharia law. Contractual arrangements are the rule rather than the exception in the Islamic economy. Since contracts based on Islamic law have secular and religious ramifications, this contractual relationship, the basis for all transactions, sets it apart from usual and conventional contract systems. Since both parties know their responsibilities under the contract, this agreement prevents any deviation from the conditions. The reality, however, is that collective demands will always exist in a rights-aware community. Especially in business-related matters, the breadth and depth of cases can be staggering. This research framework is depicted in Figure 1.

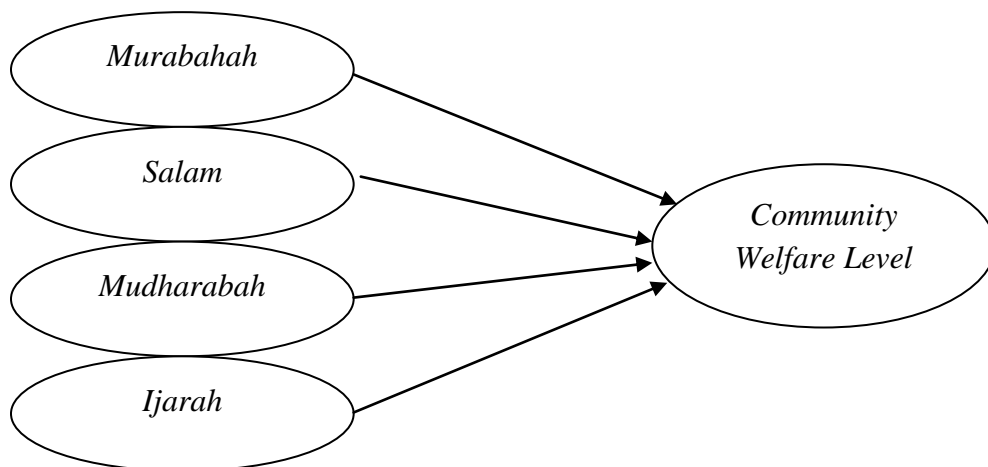


Figure 1. Research Thinking Framework

The research hypotheses have been formulated and organized within the framework in Figure 1 as follows:

1. The Impact of Implementing *Murabahah* on the Welfare of the Community
2. The Impact of Implementing *Salam* on the Welfare of the Community
3. The Impact of Adopting *Mudharabah* on the Welfare of the Community

4. The Impact of Implementing *Ijarah* on the Welfare of the Community.

One of the primary motivations behind establishing the Republic of Indonesia was the desire to improve people's material well-being. In a capitalist economic system, welfare only meets external, material demands. Islam has a broader definition of welfare than that. This effort is motivated by the fact that Islamic economic theory places equal emphasis on developing human qualities inside the economy and the development of the Muslim community as a whole (Badruzaman, 2019).

This study departs from the phenomenon of the failure of the capitalist economic system, the socialist economic system, and the Pancasila economic system, all of which have been implemented in Indonesia to maximize people's welfare, and offers alternatives for going about one's daily economic activities, particularly for those who are based in the business sector and reside in the Kapuk Beautiful Beach (PIK) 2 neighborhood of Jakarta. The purpose of this research is to determine the impact of Islamic economic transaction principles (*Ijarah*, *Mudharabah*, *Salam*, and *Murabahah*) on the well-being of business owners and residents of Jakarta's Pantai Indah Kapuk (PIK) 2 district.

B. THEORETICAL STUDY

1. *Murabahah*

The Arabic word *Murabaha*, derived from the word al-rihb ribh (الربح), means "advantage" or "addition" in the context of a business transaction. That is to say, al-rich can be turned into cash. Meanwhile, *Murabaha* is defined as selling and purchasing items at the original price plus profits agreed upon by two parties (Nasution, 2021). *Murabaha* means that the seller is responsible for knowing the introductory price and the amount of added profit. In a *Murabahah* sale and purchase agreement, the seller pays for the item outright and then sells it to the buyer with a markup based on the buyer's desired profit (Atiqi Chollisni Nasution, 2021)). The seller in a *Murabahah* deal covers the difference between the purchase and selling prices. The profit margin is the difference between the selling and cost prices (Nasir & Sululing, 2017). In Islamic law, the term "*Murabahah*" refers to a specific type of sale in which the vendor discloses the total cost of acquiring the merchandise (including the price of the merchandise itself and any extra expenses incurred in acquiring the merchandise) as well as the anticipated margin (profit).

Murabahah is a component of a sale and purchase, so the pillars and terms of purchasing and selling *Murabahah* are essentially identical to those of buying and selling in general. According to the Hanafi school, the

pillars of buying and selling are consent and qabul, whereas according to the majority of scholars, there are four pillars: merchant, buyer, goods or something that is contracted, and sighat. As for the pillars of purchasing and selling *Murabahah*, such as (Nasution, 2021):

- a. Seller (*bai'*), the seller is the bank that finances the financing applicant's purchase of products with a deferred payment system. Typically, in a technical application, the bank purchases the goods required by the customer on behalf of the bank. Occasionally, however, the bank employs the media *wakalah* contract in which the customer purchases the item on behalf of the bank.
- b. Buyers (*musytari'*), buyers in *Murabaha* financing, are customers who submit to the bank for financing.
- c. Objects of purchase and sell (*mabi'*). Typically, when applying for *Murabahah* financing, the majority of applicants favour consumable goods, such as houses, land, automobiles, and motorbikes, to meet production needs. However, there are several aspects of the object or commodities that are the subject of the contract that must be considered, including:
 - 1) Holy, it is forbidden to sell impure items, such as dogs, pigs, etc., which fall under the unclean category.
 - 2) based on this provision, it is forbidden to purchase and sell that is not benefited according to *syara'*.
 - 3) Refuse to be subdued, i.e., when it is linked or dependent on other things, such as "If my father passes away, I will sell you this vehicle."
 - 4) Not limited by time; if you say, "I'm selling you this vehicle for a year," the transaction is invalid because buying and selling is one of the causes of full ownership that is not limited by *syara'*'s provisions.
 - 5) It can be transferred or handed over, as ownership must be transferred from the seller to the buyer when purchasing and selling products that are the subject of the contract. Whether products are delivered quickly or slowly depends on the distance or location to which they are sent.
 - 6) It is illegal to sell other people's property without the permission of the proprietor of the property. The same holds true for new items that will become his.
 - 7) Known (*seen*), the products that are the subject of the sale and purchase must be familiar with their specifications, including quantity, size, model, colour, and other relevant details. Then it is illegal to purchase and sell, which causes one of the parties to have doubts.

- d. Cost the price in *Murabahah* financing is comparable to pricing or the financing ceiling.
- e. Consent acceptance is e. In sharia banking, where all transactions are governed by Islamic law, the contract has both global and ukhrawi repercussions. In the contract, the specifications of the goods desired by the customer, the Islamic bank's willingness to procure the goods, the cost of purchase and the amount of profit offered to the customer (if an offer is made), and the length of installments if there is a *Murabahah* agreement are typically included *Murabahah* (Irmadariyani et al., 2022).

2. *Salam*

The *Salam* contract essentially entails the transfer of payments up front, followed by the seller's obligation to deliver the goods or object of purchase to the buyer, who is legally entitled to receive them. According to the definition provided by (Widiana & Annisa, 2018), the *Salam* contract is a sale of products for which payment is made in the form of a reward. So that both buying and selling and borrowing and lending can take place, the *Salam* contract also includes a contract of exchange or substitution that binds the seller to deliver the goods sold once the consumer has made payment. The *Salam* Contract is expanding and modernizing in response to the internet and technological advancements that make it possible to use the *Salam* Contract online.

According to researchers (Subairi & Hamidah, 2023), the following are the cornerstones of the greeting card industry:

- a. The object is no longer available at the agreed time.
- b. There is a defect in the goods sent.
- c. There is a change in the quality of ordered goods.
- d. The quality of the goods sent does not match the consent granted, but the buyer accepts.
- e. The customer has received the goods ordered.

3. *Mudharabah*

The language spoken by the inhabitants of Iraq is called *mudharabah*, while the language spoken by those in the Hijaz is called qiradh or muqaradhah. Nevertheless, qiradh and *mudharabah* share a single meaning. So, *mudharabah* or qiradh denotes "pieces," "walking," and "traveling" in this language. The fuqaha define *mudharabah* as an agreement in which one person surrenders ownership of his property to another in exchange for management duties. (Hendi 2014, 135-136) Depositors in a *mudharabah* account play the role of Shahib Al-mal (owners of capital), and banks the role of *Mudharib* (managers) in this

arrangement. The bank employs this money for *mudharabah* financing. Regarding fundraising and financing, Islamic banks mostly rely on the *mudharabah* contract.

There are two varieties of *Mudharabah*: *Mudharabah Muthlaqah* and *Mudharabah Muqayyadah*. Both are used for finance, although *Mudharabah Muqayyadah* is more common. Someone who gives money to others without asking for anything in return is called a *Mudharabah Muthlaqah*. Profits will be split three ways (two-thirds to Shahibul Mal, one-third to *Mudharib*, and so on), per the agreement's terms. The *mudharabah* contract does not specify the job, place, time, type of activity, or people permitted to communicate with him. Therefore, the capital provider could be anyone (Hamidah & Yandono, 2017).

The contract used by Hajj Savings is called a *mudharabah Muthlaqah*. Banks might utilize the money for lending purposes as well. The profits from this *mudharabah* deal will be split according to the negotiated terms. The bank is liable for losses if it utilizes the money for *mudharabah* financing. The parties to the agreement, namely the customer and the Islamic bank, have agreed to profit share, which is the allocation of the proceeds from 21 businesses conducted by the customer and the Islamic bank. In this situation, the parties to the contract shall divide the proceeds of any business conducted by either party under the percentages they agreed upon before signing the contract. Islamic banks use a ratio to allocate their profits among their shareholders. The ratio is the percentage by which the parties have agreed to divide the joint venture's profits (Hermansyah & Febriadi, 2017).

4. *Ijarah*

According to Remy (in (Tehuayo, 2018)), Al *Ijarah* is a contract that transfers the right to use and benefits from goods or services in exchange for rental payments but does not transmit ownership (milkily) of the goods. Article 1 number 10 of Bank Indonesia Regulation No. 7/46/PBI/2005 defines al-*Ijarah* as "a lease transaction for a certain object and remuneration for services," which refers to providing services for a specified period in exchange for rent or payment for the service (Chair, in (Tehuayo, 2018)). Al-*Ijarah* is derived etymologically from the word al-ajru, which denotes compensation or substitute. Therefore, ats-tsawabu is also known as al-are/upah (compensation/wages) in the reward context (Utami, 2018). *Ijarah* is equivalent to ajr (wages), thawab (reward), Iwadh (compensation), compensation, fee, rent, or service levy. If the object of the transaction is the benefit or service of a particular object, such as renting a domicile, it is known as *Ijarah al-" ain*. If the transaction is for the advantage or service of someone's labor, it is known as *Ijarah al-dismay* or

reward, such as payment for typing a thesis. Although the objects may vary, *al-Ijarah* is the term used within the context of fiqh.

C. METHOD

This study employs a quantitative research approach. Multiple hypothesis testing is used in conjunction with actual data in this study to determine the impact a given variable has on others (John W. Cresswel, 2014). Researchers conduct field research, gathering information directly from the environment to get the facts they need to write up their findings. This research looks at the familiarity with Sharia business principles among economic actors in DKI Jakarta and the extent to which those principles affect economic actors' well-being. Since the government sees DKI Jakarta, and particularly the Pantai Indah Kapuk (PIK) 2 Jakarta area, as a hub for the development of MSME actors who apply the principles of Islamic economics, this research will focus on economic actors in DKI Jakarta. This area will serve as a model mecca for other regions that wish to grow or develop the principles of Sharia economic transactions for local MSMEs. In this research, there is an endless potential participant pool (Ishtiaq, 2019). According to Riyanto and Hatmawan (2020), the number of samples with an unknown population can be calculated using the Lemeshow method. This study used a random sample strategy to collect data from a cross-section of micro, small, and medium-sized enterprises (MSMEs) that practice Islamic economic activities according to criteria such as revenue, tenure in business, and capitalization.

$$n = \frac{Z^2 \cdot P \cdot (1-P)}{D^2}$$

$$n = \frac{1,96^2 \cdot 0,5 \cdot (1-0,5)}{(0,1)^2}$$

$$n = \frac{3,8146 \times 0,5 \times 0,5}{0,1^2}$$

Data:

n = Total Number of Observations
 Z = 1.96 (95% confidence interval)
 P = Highest Possible Estimate (50%)
 D = Error Proportion (10)

N = 96.04 = 97 rounded up to 100 Respondents

Source: Riyanto and Hatmawan (2020)

The "Lemeshow" algorithm determined that 100 participants would provide sufficient data for analysis. In reality, however, there were many errors and incomplete filling out of the questionnaire through the G-Form or in person with a total of 42 people. Hence, the number of samples that could be analyzed in this study consisted of 58 respondents from survey locations in DKI Jakarta, including many Sharia business centers with the principle diverse sharia for

business people and users of Sharia principles in financial institutions. Secondary data came from the Central Statistics Agency and the Bank of Indonesia, while primary data came from questionnaires and interviews. From July to October 2022, researchers gathered data. Using the statistical analysis tool SPSS 23.00, we conducted a battery of tests on the collected data, checking for validity, reliability, classic assumption, and multiple regression (Cresswel, 2013).

D. RESULTS

Validity

The analysis of data from this study, which included 58 people and had a 5% margin of error, yielded the value $r_{table} = 0.218$. If the r -count for a questionnaire item is higher than the r -table, then we can assume that the item is genuine. The reliability of the participants' answers in this study consists of the following:

Table 1. Validity Value

No.	Questionnaire Items	R-Table	R-Value	Information
1	MUR1	0,218	0,242	valid
2	MUR2	0,218	0,714	valid
3	MUR3	0,218	0,485	valid
4	MUR4	0,218	0,735	valid
5	MUR5	0,218	0,692	valid
6	MUR6	0,218	0,629	valid
Total			3,497	Very Valid
Average			0,583	
7	SAL1	0,218	0,628	Valid
8	SAL2	0,218	0,810	Valid
9	SAL3	0,218	0,810	Valid
10	SAL4	0,218	0,516	Valid
11	SAL5	0,218	0,774	Valid
Total			3,538	Very Valid
Average			0,707	
12	MUD1	0,218	0,503	Valid
13	MUD2	0,218	0,685	Valid
14	MUD3	0,218	0,678	Valid
15	MUD4	0,218	0,551	Valid
Total			2,417	Very Valid
Average			0,604	
16	IJA1	0,218	0,648	Valid
17	IJA2	0,218	0,706	Valid

18	IJA3	0,218	0,707	Valid
19	IJA4	0,218	0,738	Valid
20	IJA5	0,218	0,555	valid
Total			3,354	Very Valid
Average			0,670	
21	TKM1	0,218	0,798	valid
22	TKM2	0,218	0,748	valid
23	TKM3	0,218	0,857	valid
Total			2,403	Very Valid
Average			0,801	

Source: Primary Data Processed with SPSS Version 23 (2022)

The very good category was awarded to the *Murabahah* component (0.583 points), the very valid category was awarded to the *Salam* component (0.707 points), the very valid category was awarded to the *Ijarah* component (0.670 points), and the very valid category was awarded to the Community Welfare Level component (0.801 points). There is sufficient evidence here to support the conclusion that contracts based on sharia law are legally binding.

Reliability

The analysis of data from this study, which included 58 people and had a 5% margin of error, yielded the value $r_{table} = 0.218$. If the r -count for a questionnaire item is higher than the r -table, then we accept that item as trustworthy. In this study, the dependability of responses is as follows:

Table 2. Reliability Value

Cronbach's Alpha	N of Items
.480	5

Source: Primary Data Processed with SPSS Version 23 (2022)

See Table 2 for a breakdown of how the 0.480 reliability rating was attained across the *Murabahah*, *Salam*, *Mudharabah*, *Ijarah*, and Community Welfare Level dimensions. The provided information suggests that the numerous questionnaires on the forms of sharia transaction contracts suitable to the level of social welfare are credible and open to the next stage of data analysis test execution.

Multicollinearity Test

The multicollinearity test looks for evidence of correlation between the independent variables in a regression model. Multicollinearity (Multikol) refers to the presence of many correlations. Independent variables in a good regression model shouldn't be related to one another in any way (Ghozali, 2018). Here are the outcomes of the Multicollinearity test:

Table 3. Multicollinearity Test

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	5.550	5.981		.928	.358		
	TMUR	.144	.169	.118	.855	.396	.960	1.042
	TSAL	.014	.169	.013	.082	.935	.706	1.417
	TMUD	.170	.251	.112	.676	.502	.661	1.512
	TIJA	-.030	.150	-.028	-.201	.841	.929	1.076

a. Dependent Variable: TTKM

Source: Primary Data Processed with SPSS Version 23 (2022)

Tolerance values for *Murabahah* (X1), *Salam* (X2), *Mudharabah* (X3), and *Ijarah* (X4) are 0.960, 0.706, 0.661, and 0.929, respectively, according to the results of the multicollinearity test. The *Murabahah* (X1), *Salam* (X2), *Mudharabah* (X3), and *Ijarah* (X4) VIF values are 1,042, 1,417, 1,512, and 1,076 respectively, and their tolerance value is more than 0.1. In cases when the VIF for this variable is less than 10 Given this finding, it's reasonable to infer that multicollinearity is not present.

Heterocadicity Test

Table 4. Heterocadicity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.964	3.657		1.084	.283		
	TMUR	-.224	.103	-.287	-2.168	.305	.960	1.042
	TSAL	-.057	.103	-.085	-.548	.586	.706	1.417
	TMUD	.231	.153	.239	1.504	.139	.661	1.512
	TIJA	.034	.092	.049	.368	.715	.929	1.076

Source: Primary Data Processed with SPSS Version 23 (2022)

The heteroscedasticity of this study was evaluated using the Glejser Test. It is possible to do the Glejser test by regressing the absolute residual values against the explanatory variables (Gujarat, 2003, cited in Ghozali, 2013: 142). At significance levels lower than 5%, heteroscedasticity is guaranteed to be present.

Table 4.0 displays the results of a heteroscedasticity test, which shows that the independent variables X1, X2, X3, and X4 all have significant values of 0.305, 0.586, 0.139, and 0.715%, respectively, when describing the characteristics of *Murabahah*, *Salam*, *Mudharabah*, and *Ijarah*. Homoscedasticity or the lack of heteroscedasticity can be deduced from the regression model if the p-value of the variable is more significant than 0.05.

Normality Test

The normality test in the Ghozali regression model checks to see if the variables in question have a normal distribution (2013: 160). The Kolmogorov-Smirnov (K-S) non-parametric statistical test was used to check for normality in this work, having the following parameters in mind: The data have a normal distribution, as indicated by a Sig. (2-tailed 0.05). The data are not generally distributed if the Asymp. Sig. (2) value is less than 0.05. The normality test outcomes for this investigation are listed below.

Table 5. Test Results for Normality Test (K-S)

N	Unstandardized Residual	
	Mean	Std. Deviation
58	.0000000	2.05452086
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.05452086
	Most Extreme Differences	
	Absolute	.113
	Positive	.066
	Negative	-.113
Test Statistic		.113
Asymp. Sig. (2-tailed)		.061 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: Primary Data Processed with SPSS Version 23 (2022)

The Asymp value is determined based on the Kolmogorov-Smirnov Test for normality. Sig. (two tails) of 0.061 Given that Asymp. Sig. Two-tailed > 0.05 The decision is then made to accept H1, indicating that the data are normally distributed. This indicates that the data normality assumption is met.

Statistical Test T

To evaluate the relative importance of each independent variable's influence on the dependent variable, the t-test is employed. This test is performed partially or singly, with a predetermined level of confidence, using a statistical t-test for each independent variable (Riyantono & Hatmawan, 2020). The results of the t-test are as follows:

Table 6. T-Test Statistical

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.550	5.981		.928	.358
TMUR	.144	.169	.118	.855	.396
TSAL	.014	.169	.013	.082	.935
TMUD	.170	.251	.112	.676	.502
TIJA	-.030	.150	-.028	-.201	.841

a. Dependent Variable: TTKM

Source: Primary Data Processed with SPSS Version 23 (2022)

From table 6, the regression equation model is obtained as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4Z + e$$

$$Y = 5.550 + 0,144 X_1 + 0,014 X_2 + 0,170 X_3 - 0,030 X_4 + e .$$

Statistical F Test (Simultaneous)

According to Riyantono & Hatmawan, (2020), the purpose of the F test is to determine the extent to which the independent or free variables can influence the dependent or dependent variable. The following are the F Test results:

Table 7. Statistical Test F (Simultaneous)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.020	4	2.005	.442	.778 ^b
	Residual	240.600	53	4.540		
	Total	248.621	57			

a. Dependent Variable: TTKM

b. Predictors: (Constant), TIJA, TMUR, TSAL, TMUD

Source: Primary Data Processed with SPSS Version 23 (2022)

The findings of the F test in this study have a coefficient value of 0.442 and a significance value of 0.000 0.05, as indicated by the table test. This result indicates that the independent factors have a positive and statistically significant influence on DKI Jakarta's degree of community welfare.

Determination Coefficient Test (R2)

According to Bawono (2006.92-93), the goal of this test was to assess the amount to which the level of association between the dependent variable and the independent variable, or the variable contribution, affects the dependent variable. The determination coefficient (R2) analysis is used to determine the percentage (%) of the total influence of the independent factors on the dependent variable. The results of the tests are shown in the table below.

Table 8. Test Results for the Coefficient of Determination (R2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.332 ^a	.110	.043	1.30268

a. Predictors: (Constant), TIJA, TMUR, TSAL, TMUD

Source: Primary Data Processed with SPSS Version 23 (2022)

Table 8 displays a value of 0.332 for the correlation coefficient (R). *Murabahah*, *Salam*, *Mudharabah*, and *Ijarah* all correlate positively with the level of public welfare in DKI Jakarta (the dependent variable). Level of Public Welfare in DKI Jakarta is influenced by the independent variables of *Murabahah*, *Salam*, *Mudharabah*, and *Ijarah* by 11% and by factors outside the model by 89%, as indicated by the coefficient of determination (Adjusted R Square) of 0.110. This research aims to analyse the effects of Islamic financing mechanisms such as *Murabahah*, *Salam*, *Mudharabah*, and *Ijarah* on the quality of life in DKI Jakarta. This section discusses each hypothesis listed in table 6.

E. DISCUSSION

1. The Impact of *Murabahah* on the Standard of Living in DKI Jakarta

According to the T-test, the coefficient value is 0.144, statistically significant at 0.05. This contradicts the null hypothesis, showing that *Murabahah* does have a positive and insignificant effect on people's well-being in DKI Jakarta. Researchers conducted in-depth interviews and analyzed survey data to conclude that most MSME actors find it convenient to use *Murabahah* principles when obtaining capital and financing for their businesses from Islamic financial institutions and non-financial institutions. Due to the Covid-19 pandemic and the post-Covid-19 business adjustment period, most actors continue to have low incomes. As a result, most of the income from businesses is used to pay for financing from Islamic financial institutions and Sharia non-financial institutions first rather than being used to improve their respective welfare. Furthermore, the Pantai Indah Kapuk 2 Jakarta neighborhood still needs Islamic and non-Islamic financial institutions that adhere to the principles of *Murabaha*.

This is inversely proportional to research conducted by Amaliah (2017), who found that *Murabahah* financing products (the variable X) have an impact, but not a significant one, on the welfare of micro businesses (Y), as the presence or absence of *Murabaha* financing products remains a business. micro entrepreneurs to enhance their prosperity. This is also not in line with the opinion of Dofiri et al., (2021), which explains that the function of *Murabahah* financing at the BMT NU Tambelangan Branch is to help or make it easier for the public or customers to start their business with *Murabahah* financing with a margin system that does not burden the customer, if there are arrears in payment then the calculation is fixed for 1 month and not per day, and if the customer pays off the loan early there will be a discount or reduction in financing.

2. The Influence of “*Salam*” on Public Welfare in DKI Jakarta.

A *Salam* contract is a form of contract that may be used to lend money to a person who needs it to run their business. In the *Salam* contract method, all parties agree in advance on the standard of work and the amount to be produced by a specific date (Saprida, 2018). The significance level of the T-test is more than or equal to 0.05, and the coefficient value is 0.014. This contradicts the second hypothesis because it demonstrates that *Salam* impacts DKI Jakarta's public welfare, although it is not statistically significant. Since MSME economic actors in DKI Jakarta, particularly in the Pantai Indah Kapuk 2 area (especially those engaged in the agricultural product processing business sector), especially sharia economic actors, use the "contract of greetings" principle of economic transactions, this means that the level of welfare is positively impacted, though not significantly. A growing number of DKI Jakarta communities implies that businesses increasingly use the "contract of greetings" basis in their daily dealings. However, this approach may leave them vulnerable to losses should bad

weather or pests destroy their crops. Furthermore, there is the danger of imported products entering Indonesia and undercutting locally produced goods, posing a threat to local businesses, not to mention the fact that there are still business actors that, in order to operate, must borrow money from sources like the debt bondage system, which can be a hardship and even harmful to the business actor.

Moreover, since banks do not have much time to constantly go into the field, supervising "*Salam* contract" financial organizations take more time. The subsequent explanation has agricultural roots. The primary reason financing with a *Salam* contract has yet to be realized due to a lack of understanding on the part of farmers regarding Islamic banking. Due to the widespread lack of familiarity with even the basic concepts of Islamic banking, let alone its contracts. Then, many farmers still rely on traditional banks to prop up their operations, with the latter providing the former with KUR (People's Business Credit) loans since they are "easier and more flexible," requiring borrowers to not worry as much about the quality and quantity of their output in order to minimize the positive impact that "contract greetings" could have on the economic well-being of micro, small, and medium-sized enterprise (MSME) actors in DKI Jakarta (particularly in the Pantai Indah Kapuk 2 neighborhood).

Widiana & Annisa, (2018) found that boosting farmers' access to financing through *Salam* contracts can positively affect farmers' access to cash for cultivating agricultural products. This study's conclusions, however, run counter to those of previous ones. Micro waqf banks can maximize their role in community empowerment, especially for the economically active poor and low-income people. However, this contradicts the research findings conducted by (Pamikatsih & Latif, 2020)

3. The Impact of *Mudharabah* on the Standard of Living in DKI Jakarta.

Results from the T-test indicated a significant coefficient of 0.17 at the $0.502 > 0.05$ significance level. As a result, we may conclude that Hypothesis 3 is false and that *Mudharabah* does have a positive and insignificant impact on the Level of Public Welfare in DKI Jakarta. That is because some DKI Jakarta businesspeople, particularly those involved in sharia business in the PIK 2 Jakarta neighborhood, need to become more familiar with the wide variety of sharia contracts that come into play in everyday business transactions. There is a knowledge gap between Islamic and non-Islamic financial institutions, namely, with *Mudharabah's* understanding of products and contract provisions. Analysis of observed behaviors and in-depth interviews with representatives from Islamic financial institutions and business actors revealed that most of these issues were brought on by the tendency for the party with more information to act dishonestly (Tahrim et al., 2019). Thirdly, negligence and purposeful mistakes; secondly, side streaming, in which the customer utilizes the cash for purposes other than those specified in the contract. Under the

mudharabah financing contract terms, the Bank, as *sahib*, *alma al* entrusts the *Mudharib* management with a specified sum. The Bank has no control over the business, and the *Mudharib* does. Then, because of the feeble and limited *Mudharabah* finance oversight in dealing with potential Islamic bank risks, direct access to operational and customer files or indirect access via customer reports is allowed. The Bank, as the owner of the capital, has a responsibility to oversee (monitor), and the *Mudharib* imposes constraints on its acts (bond). Next, there is no incentive structure for business actors and, thus, no effort by financial institutions to reduce the risks associated with funding *mudharabah* transactions. In order to better the lives of locals, especially small and medium-sized enterprise (MSME) actors in the Pantai Indah Kapuk neighborhood of Jakarta, we must ensure that the *mudharabah* principle is not fully exploited.

In contrast to the findings of a study by Nizar (2016), who found no correlation between profit sharing and company autonomy and the well-being of MSME players, we discover a negative correlation between the two. Changes in MSME actors' welfare are explained by changes in profit sharing (47.4%), while changes in income growth (52.6%, explained by other variables), according to the coefficient of determination. Research by Novika (2019) found that *mudharabah* financing affects increasing customer business success; from the results of *mudharabah*, 20.25 percent of the increase in customer business success is the same, while the remaining 79.75 percent is influenced by it. This finding is consistent with the results of the partial t-test in the form of a significant value for *mudharabah* financing of 0.023%, which is smaller than the significance value of 0.05%.

4. The Effect of *Ijarah* (X4) on the Standard of Living in DKI Jakarta (Y).

The T-test yields a coefficient of -0.030, statistically significant at the 0.841% level ($p < 0.05$). This disproves H4, demonstrating that *Ijarah* has a negligible effect on DKI Jakarta's social welfare. "*Ijarah* financing" refers to financing in which a party agrees to rent items for a set time for a financial benefit, such as a bailout loan (Arie Nugraha & Azib, 2022). According to Zainuddin (2006), "*Ijarah* finance" refers to a leasing agreement in which two parties negotiate the rental of a good or service for a specified amount of time and an agreed-upon price.

Evidence from surveys and in-depth interviews with bankers and small business owners in the Pantai Indah Kapuk 2 neighborhood of Jakarta suggests that the "*Ijarah* contract" has little to no positive effect on residents' standard of living.

To conduct commercial and banking activities, there appear to be no Islamic financial institutions in the Pantai Indah Kapuk 2 district of Jakarta offering large-scale "*Ijarah* contracts" to customers. This is because the "*ijara* contract" industry consistently reduces the profitability of Islamic banking. Second, despite the advantages of Islamic banking over

conventional banking, many companies still rely on moneylenders and BPRs (Conventional People's Credit Banks). Most business people do not understand the "*Ijarah* contract" banking premise.

Third, only some businesses are comfortable surrendering their revenue and holdings to Islamic financial institutions. In order to propose and carry out "*Ijarah* contract" transactions, most business actors lack the 5C criteria (character, capacity, capital, collateral, and conditions). This study's findings suggest that *Ijarah* has a detrimental impact on community well-being in DKI Jakarta. Leasing agreements are becoming common among DKI Jakarta's economic actors. However, *Ijarah* is rarely, if ever, used in these deals. This research contradicts the findings of Santoso & Anik, (2017), who found that KSPPS BTM Kotagede's profitability was significantly impacted by *Ijarah* financing.

F. CONCLUSION

Based on the research findings on factors influencing the level of community welfare in Jakarta, several conclusions can be drawn. Firstly, the impact of *Murabahah* on the welfare of the Jakarta community is positive but insignificant. This suggests that there is no correlation between the community's knowledge of *Murabahah* and the overall level of welfare in Jakarta. Secondly, *Salam* has a positive effect on the Jakarta community's welfare level, but the effect is negligible. The research indicates that as the implementation of the *Salam* contract by economic entities increases, its impact on the well-being of the Jakarta community diminishes.

Thirdly, *Mudharabah* has a positive and minor influence on the welfare of the Jakarta community. The findings suggest that only a minority of business actors in Jakarta are familiar with the various forms of *Ijarah* activities in economic transactions. Lastly, *Ijarah* has significant effects on the welfare of the Jakarta community. The research demonstrates that the level of community welfare in Jakarta is proportional to the awareness and implementation of *Ijarah* in daily economic transactions.

In summary, the research findings show that while *Murabahah* and *Salam* have limited effects on community welfare, *Mudharabah* and *Ijarah* have a more positive impact. This indicates the importance of promoting awareness and understanding of these concepts, particularly *Ijarah*, for improving the overall welfare of the Jakarta community.

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