

Local Economic Practices in Developing Islamic Financial Products in Indonesia

A Syathir Sofyan

Department of Islamic Economic, Alauddin State Islamic University of Makassar
a.syathir@uin-alauddin.ac.id

Ayu Ruqayyah Yunus

Department of Islamic Economic, Alauddin State Islamic University of Makassar
ayu.ruqayyahy@uin-alauddin.ac.id

Muslihati

Department of Islamic Economic, Alauddin State Islamic University of Makassar
Muslihati.muslihati@uin-alauddin.ac.id

Nurfiah Anwar

Department of Islamic Economic, Alauddin State Islamic University of Makassar
nurfiahnwar05@gmail.com

Emily Nur Saidy

Departement of Islamic Economic, IAIN Pare Pare
emilynurs@gmail.com

ABSTRACT

The culture and geography of a country are the cause of low Islamic financial inclusion and the lack of public knowledge in the Southeast Asian region about the Arabic term on Islamic financial products. Therefore, this study aims to integrate local wisdom and Islamic financial inclusion and realize Islamic -based financial products based on local wisdom. This research is a qualitative descriptive study that is a literature review. The object of the discussion is sourced from research, articles, and reference books related to this topic. The research results are integrating culture with Islamic financial institutions through several efforts, first preaching the Islamic economy with a psychosufistic approach that manifests in the value of Tauhid, humanity, humility, local wisdom and self-transformation to people with low Islamic financial literacy. The second is to strive to create financial products by identifying traditional economic practices throughout Indonesia based on research analyzed by the 'urf rule. This research has implications for information on the potential market share of Islamic finance in Indonesia and solutions to developing Islamic financial inclusion. The issue of strengthening the market share of Islamic finance in rural areas is still weak. This research study is the first to develop financial products based on local practices in Indonesia.

Keywords: *'urf, Local Wisdom, and Culture*

INTRODUCTION

The development of Islamic finance in Indonesia has increased in financial assets, product variations, and a more comprehensive regulatory framework during 2013-2016 (OJK, 2017). However, this increase was not accompanied by a market share that is still far below conventional financial institutions at 8.58% (Badan Perencanaan Pembangunan Nasional, 2019). The same thing was stated by that the Islamic banking market share is low while Indonesia is one of the largest Muslim population countries in the world with an 87% Muslim population. Of course, the hope to be achieved is Islamic financial assets as large as the total population because a Muslim should choose Islamic financial services over conventional financial services (Kariastanto, 2013).

The reality in Indonesia spurred researchers to uncover aspects that caused the lack of Islamic financial market share. Kariastanto research on Islamic banking discusses several elements, namely non-technical factors, supply-side issues such as service costs, benefits provided, and even extreme things that the public does not recognize Islamic banks (Kariastanto, 2013). The supply-side put forward by Kariastanto is not a causal aspect and is supported by the research of Sebastian Herman, to the conical factor that is the aspect of Muslim awareness being the leading cause in the study (Sebastian Herman, 2015). One of the causes of the decline in public awareness is the statement, "Islamic banks are considered the same as conventional banks" (Addiarrahman, 2013). Even some scholars regard the validity of Islamic banking through criticism from several fatwas such as the fatwa of Muhammad Sayyid Ali Tantawi about bank interest and *tawwaruq* concept (Adeyemo & Oloso, 2015).

To support the Islamic banking market share, the discourse of changing Arabic terms into familiar languages emerged as suggested by Jusuf Kalla (Rosidah, 2016). The reality that occurs in Southeast Asian countries experiencing the same difficulties, the lack of knowledge about the Arabic term. The regional countries are predominantly using Malay, while in the Middle East Arabic is the daily language. This statement is supported by several studies that continue to the present.

Gerrard and Cunningham's research shows that a minority of Muslims in Singapore do not know the Islamic Financial Term, namely *murabaha*, *ijarah*, and *musharaka* (Gerrard & Cunningham, 1997). However, customers choose Islamic banking due to religiosity, as in Al-Qur'an, the prohibition of *riba* (QS: 2:278-280). Malaysians also experience similar problems, Hamid & Nordin say the lack of knowledge related to technical issues gave rise to the idea to create an Islamic banking education strategy for millennial youth (Hamid & Nordin, 2009). Non-Bank Financial Institutions also indicate this as research conducted by Ismail, Othman, & Hamid (2009) that customers do not know the term *tabarru'* is the main feature in Islamic insurance. Also, Afif, Jaafar and Azizan stated that customers agreed on the term, which is a characteristic of Islamic finance, but with this, the customer had difficulties related to fast access to information and understanding (Muhamat, Jaafar, & Azizan, 2011). Even in Abdullah and Rahman research, an incomprehensible understanding of Islamic banking services at the level of bank managers in Malaysia, such as *ghurmi* (risk) and *gharar* (uncertainty), was found (Abdullah & Rahman, 2007).

The case in Indonesia was shown in Ghani's study with the people of Yogyakarta as a sample (Ghani, 2012). The conclusion obtained is that the public wants to use the term Islamic financial skim with Indonesian terms rather than Arabic terms. Therefore, Ghoni et al advised

Islamic banks to no longer narrate their products and choose Indonesian to socialize and marketing products. Thus only the *pesantren* (Islamic Boarding School) community can quickly understand the Arabic term because it is familiar with their learning material, namely *muamalah* (Ghoni, Suropto, & Salam, 2016). Another result from Rosidah's research found no social effect of customers on Arabic terms in Islamic banking products. Customers are more motivated by factors outside the language, such as service and the benefits of the products offered. However, another opinion was found that the customer did not understand Arabic terms (Rosidah, 2016).

Questioning the Arabic term as a weakness of Islamic finance, Addiarrahman criticized the pattern of development of Islamic banking, which prioritizes formal-structural aspects that consider Islamic banking contracts to be the *urf* of Arab society and ignore cultural values that exist in Indonesia (Addiarrahman, 2013). Generating local wisdom by exploring its potential in the local area to become a driving tool in solving the problems of regional development is one of the best solutions (Hermansyah, 2013). Economic practices in the value of local wisdom are very numerous in Indonesia because the power of local wisdom is in the context of learning by experience, which is passed down from generation to generation so that the establishment of these values is the basis of the strength of the practice that still exists today (Yulianti, 2010). The possibility exists that the existence of these practices creates its market share. But the problem that then arises is the lack of understanding of local culture that makes Islamic financial institutions do not respond to socio-cultural harmony between companies and local wisdom (Mujahidin, 2016).

According to Worldbank in Er and Mutlu, the level of financial spending due to religious reasons, which is 7% in the world, or 9.7% in the group of D-8 countries (Bangladesh, Indonesia, Iran, Malaysia, Egypt, Nigeria, Pakistan, and Turkey) (Er & Mutlu, 2017). In addition, religion is not the cause of low financial inclusion, but it is a cultural and geographical constraint in developed countries. However, individuals with low levels of financial literacy because of their religious preferences specifically exhibit behaviour that tends to favour financial services due to prices/product features (Er & Mutlu, 2017). Therefore, this paper fills the gap of these problems by integrating cultural and religious values within the framework of very important financial inclusion (Yulianti, 2010). If this is realized, then product innovation will be recognized as a new Islamic banking imaging program that includes positioning, differentiation, and branding (Ulum, 2014).

LITERATURE REVIEW

Theory '*Ashabiyat* (Group Solidarity Theory)

The etymological meaning of the word '*ashabiyyah* comes from the word '*ashaba*, which means binding (Yasu'i, 1960). According to (Huda, 2008; Ilham, 2016; Khoiruddin, 2016; Widayani, 2017) '*Ashabiyah* is a social-cultural bond that can be used to measure the strength of social groups or '*ashabiyah* can also be interpreted as social solidarity based on emphasizing awareness, cohesion and group unity. Ibn Khaldun in (Huda, 2008; Ilham, 2016; Khoiruddin, 2016; Widayani, 2017) interprets '*ashabiyah* positively by referring to the concept of brotherhood. This concept is based on the social solidarity of Islamic societies for cooperation, putting aside personal interests (self-interest), and fulfilling obligations to others. The theory of '*Ashabiyat* and the concept of *ta'awun al-Ihsan* are based on Islamic teachings in which there are sharia values, especially in *muamalah*. Morals become an emphasis on behaviour in general,

especially in economic activities (Yudiana, 2018). This opinion occurs in financial practices in the archipelago that are valued in cooperation, collaboration, and *ta'awun* (Hakim, 2014; Hermansyah, 2013; Mujahidin, 2016; Yudiana, 2018; Yulianti, 2010).

'Urf

Islamic law is not only judged by its appearance or external aspects, but its aspects as wisdom, meaning, reason, secret and causes are also considered in assessing a particular issue or case, which has been derived from a collection of aspects from many parameters (*dhowabit*), *usul*, methodology (*qawa'id*), special parameter (*dhowabit khassah*), and general methodology (*qawa'id 'ammah*). For example, analog deduction (*qiyas*), *istihsan*, consideration of public interests (*istislah*), widespread destruction (*'umum al-balwa*) and traditional practice (*'urf*) are formulated from understanding aspects of the evidence as well as cases or problems (Aziz & Noh, 2014).

'Urf or Customary Law is one of the essential sources of support in Islamic law. This can be seen through the many rules of law (*ahkam*) in Islamic law, based on *'urf* where most of these will change according to changing circumstances, places and times. As for the basis of *'urf* or habit, it is a product of people's nature and culture. It grows in strength and popularity through imitation, which transfers and implants it in people's lives. In language, the word *'urf* derives from the word *'arafa-ya'rifu-urfan*, which means to know (Yasu'i, 1960). In terminology, *'urf* and *adat* have the same meaning, although some Islamic jurists distinguish them. Abdul Wahab Al-Khallaf defines *'urf* something known to man and is carried out usually, in the form of words or deeds. The concepts and principles of *'urf* in Islamic law are critically analyzed, such as the application of *'urf* in Islamic law, the difference between *'urf* and the consensus of jurists (Al-Khallaf, 1956). The application of *'urf* is often found in modern financial practices such as savings products in Islamic and conventional banks (Bello & Hassan, 2013).

The principle of *fiqh al-ma'ruf baina al-tujjar ka al-ma'ruf bainahum*, (customs recognized among traders as agreed between them) are applied like someone buys something from the market at a specified price without an explicit statement about whether payment is made somewhere or on a deferred basis. The employer's usual practice is that the seller receives the price after a period, which can be a week or a month, or he receives payment on a monthly instalment basis to pay the fee. This custom must be understood without mentioning it explicitly; it has become a traditional practice among traders as if they have agreed to this (Habiburrahman, 2015).

In addition, cases differ in the UK. In research, Zakariyah explains how the application of *'urf qawli* in conventional mortgages is legal because it has become common practice. Thus mortgages in contemporary times can be temporarily permitted until alternative measures are available (Zakariyah, 2012). The rule of *al-ma'ruf 'urfan ka al-mashrut syartan* can be used to state that the phrase is already known between the two parties; it does not contain prohibited transactions, especially in Islamic mortgage contracts. That means that such a contract permit is the rule. However, the claim that the true meaning of interest in western customs is the profit margins added to business transactions as in the regulations of *al-haqiqah tutrak bi dalalah al-'adah* (the true meaning must be abandoned by culture). This means that if the true meaning of cultural interests is considered a transaction that is not prohibited, it can still be accommodated based on Islamic law within the scope of the *muamalah* (Zakariyah, 2012).

Another example of implementing the *al-'adat al-muhakkamah* principle in financing activities is one of the core businesses of Islamic banking apart from investment and deposit collection. All Islamic banks in the world charge a rate of profit on an exchange-based financing facility called the London Interbank Offered Rate (LIBOR) or Kuala Lumpur Interbank Offered rate (KLIBOR). Using the rates above does not mean that Islamic banks also duplicate the concept of interest-bearing products from conventional banks. Still, it is a customary practice that Islamic financial institutions recognize as their benchmark in calculating rates (Aziz & Noh, 2014).

In addition, the application of the *'urf* to the *yad amanah* contract is adopted by Jordan Islamic Bank, which operates as a Trusteeship Account (trustee and guarantor to protect the assets stored). Trusteeship conducted by Jordan Islamic Bank is a place to deposit cash in funds as demand deposits (*qardh hasan*), where banks are authorized to use deposits at their own risk and responsibility. Thus, the depositor hands over the deposits to the bank as a Trust and the bank does not have the authority to use them without first obtaining special permission from the fund owner. The practice is based on the *al-muamalah* rules of *tajri 'ala' adah ahlu al-balad wa urf* (current transactions based on the habits of a particular country and the environment of the place). However, another view is to treat current accounts as *qard hassan* (loans without interest), showing that the practices and sustainability of Islamic and conventional banks are the same (Bello, Yasin, Hassan, & Bin, 2015).

Likewise, several features apply to savings accounts. For example, the bank has the right to set a minimum deposit balance needed to open an account, types of customer acceptable operational procedures and others. Minors are sometimes allowed to open savings accounts with banks, but accounts are opened in the name of their parents or guardians. This is based on the practice of *'urf* Arab where Quraysh send caravans to Syria and Yemen and on this trip, those who have money will give it to traders to do business to share profits, and Islam approves this practice because it becomes *'urf* (habit) that "the behaviour of a group of people in their words or deeds (Bello et al., 2015).

RESEARCH METHODOLOGY

This research is a descriptive qualitative study to describe and explain the problem thoroughly under study, an in-depth analysis using *fiqh* principles about traditional practices in Indonesia. The results of the research are reviewed in such a way that they become a solution in Islamic financial products. The method used in the data collection process is the documentary method, which examines documents related to the object of research, including texts, photos, stories, pictures of facts and so on (Creswell, 1998). The data analysis technique used in this study is to use the Miles & Huberman (1992) stages, namely: data reduction, data presentation, and conclusion drawing. After reading, studying, and reviewing all sources, data reduction is carried out by summarizing the core material. Furthermore, the abstract was carried out, and finally, the data was interpreted to obtain the research results.

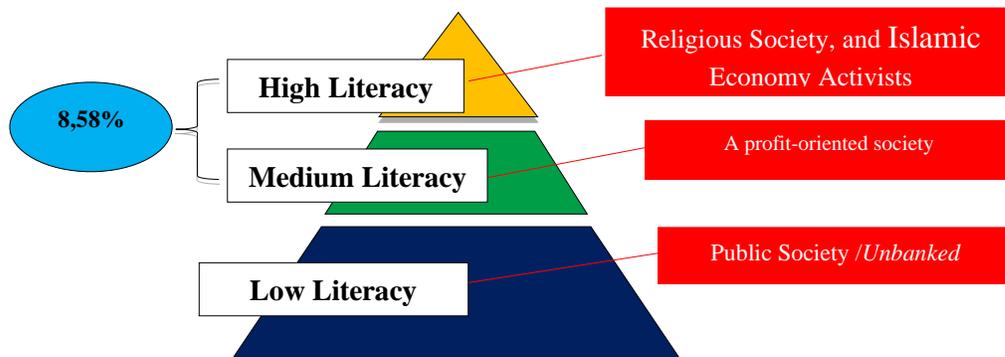
FINDING AND RESULT

The marketing model of Islamic financial institutions in Indonesia, especially Islamic banking to the public, tends to be top-down style by looking for prospective customers who have large funds in urban and rural areas. Among others as follows: 1) optimizing the management of

haji funds through sharia banking, 2) Recommendation and facilitation for the adoption of the Islamic banking micro-financing model according to the needs of the government and priority economic sector, 3) optimizing the management of waqf, zakat, infaq and shadaqah funds as well as increasing the integration of social functions in sharia bank business activities, 4) involvement of Islamic banks in the management of central/regional government funds and BUMN/BUMD funds (Hidayat & Trisanty, 2020). Also, socialization activities such as the Islamic finance expo are placed in the middle and upper classes, such as malls, educational institutions, and social activities in the city center, such as casual walk movements. This creates developments in the Islamic financial market share, which tend to be static following conventional financial developments, where Islamic financial institutions have not captured the market share of conventional institutions. Of course, when viewed further, the middle class and above are oriented to service quality, product prices, and profits. Competition between institutions tends to replicate their competitors' products, which also occurs in Islamic financial institutions.

This marketing pattern is reflected in several Islamic bank visions, including; 1) Bank Syariah Mandiri "Leading and Modern Islamic Bank", 2) Bank Muamalat "Being the best Islamic bank and included in the top 10 banks in Indonesia with a recognized existence at the regional level", 3) Bank BRI "Being a leading modern retail bank with a variety of financial services according to the needs of customers with the most accessible reach for a more meaningful life ". Although the values of the above vision tend to be generally meaningful in terms of micro and macro services, the form and reality that occurs is the empowerment of small and medium-sized communities is still less touched by Islamic finance. Whereas the concept of *al-falah* in Islamic economics is more intended for the lower middle class (QS. Al-Quraisy: 4). For that, the balance of micro and macro marketing patterns needs to be realized.

Figure 1.
Classification of Indonesian Islamic Financial Market Share Based on Islamic Financial Literacy Level



Source: The author was modified based on the *mashlahah* pyramid

As Figure. 1 representing the pyramid of Islamic financial market share as a primary form or foundation of social class in society, the picture replicates the objectives of the *mashlahah* pyramid where the lowest social class is the main market share that must be met first by the Islamic financial institutions (*Mashlahah Dharuriyat*) (Yusuf, 2014). Islamic banking market share results are still in the range of 8.58%, and conventional institutions control more than 91.4%. Islamic financial institutions should create a positioning product among ordinary

people/unbanked or prospective customers with low Islamic financial literacy, especially at the micro-level who live in the village, so that integrated with achieving the target of 20% share of the Islamic banking market in the next five years (Badan Perencanaan Pembangunan Nasional, 2019). Improving product positioning through local wisdom will be easier for unbanked people who live in rural areas (Yudiana, 2018), and also helps to eliminate the stigma of "Islamic banks are the same as conventional banks" because, in essence, these statements already represent the public mind that Islamic financial products are not impressed in their hearts.

Analyzing the process of distrust (distrust) of ordinary people towards Islamic financial institutions, one of which is marketing patterns that are still in the realm of the values of preaching *Siddiq, amanah, fathanah, tabligh and istiqamah* only (Romli, Arwan, & Irham, 2018). The five elements of *da'wah* have not increased the public interest in choosing Islamic financial services because the indicators of *fathanah* (skills) of Islamic financial managers have not touched on the psychosufistic¹ concept. Community psychology will reject itself when marketers see the image of a prospective customer as a profit or bonus when reaching the target, so there is a conflict of community intuition whether Islamic financial institutions put forward the propaganda of Islamic economics or marketing (religious commodification). Indeed, people's sense in understanding this phenomenon has been filtered by the presence of local genius. Local genius or cultural values have implications for protecting the heart/refusal of cooperation with Islamic financial institutions because what the community wants is a sense of *al-insaniyah* (Humanity) towards the offer given by Islamic financial institutions (Mujahidin, 2016). Humanity is in the local genius with various traditional practices in the archipelago, such as paroan cooperation, prapatan, and echelon that emphasizes mutual assistance, values cooperation, and attention (Mujahidin, 2016).

Islamic economic propaganda should apply as done by Walisongo to the pattern of management and development of community culture, where they are able to read the psychology and phenomena of the community when the people embraced Hinduism and Javanese religion (Tajuddin, 2014a). When you hear Walisongo, it is identical to the product of slametan culture or tahlilan (Mas'udi, 2015). It takes a psychosufistic concept to create a tradition. Psychosufistic can also be generalized to Islamic economics as its principles are divided into five. First, the value of monotheism. The fundamental value of monotheistic values will be the basis for the formation of human-divine awareness. Only in God humans' worship, adore, and lean so that they will tie themselves firmly to Allah. As in the Qur'an QS. At-Talaq: 2-3 explained that fearing will impact the mental strength of a person so that he is not afraid of poverty and poverty. This foundation will change the religious integrity² of humans towards the value of spirituality, or a more concrete example is by being Muslim and understanding the prohibition of usury and choosing Islamic financial services based on sharia (religiosity), causing peace of mind (spirituality), which results in customer loyalty.

¹Psychosufistik stands for Sufistic Psychology, is a psychological study of Sufistic understanding. Sufistic psychology (psychosufistik) is defined as a science of human behavior whose concepts are built on the basis of the paradigm of Sufism based on the Qur'an and al Hadith. The science of Sufistic psychology always emphasizes the development of inner potential toward psychological awareness to always be close to Allah (Tajuddin, 2014a)

²Religion is divided into two, namely intrinsic and extrinsic. intrinsic is religious which is motivated by internal trust. Related to behavior that is directly related to religion (*fiqh muamalah* and prayer at the mosque). Extrinsic religiosity is related to religious behavior that is carried out for the desired social goals (Aprianto, 2018; Isfandiar, 2009).

The second is a human value. The value of Sufism views social interaction as an essential platform for a community of ordinary people, while Islamic financial institutions appear or appear as helpers. Awareness of human values consists of the value of mutual respect and respect with others, mutual assistance and cooperation in the good, prioritizing the common interests, being honest when dealing, responsibility, and giving protection to the weak. These values are mentioned in QS al-An'am verses 50-52 (Tajuddin, 2014b). The third is humility (low profile). A preacher or marketer should have an attitude of humility so that the awareness of *mad'u* (people preached / prospective customers) will lead to souls that are gentle, affectionate, togetherness, and have a sense of empathy so that it can capture the preaching message of the preacher and the main goal is stability, not the desire to get profit. Fourth, local wisdom. Local wisdom in the historicity of the development of Islam in the archipelago is full of attitudes that show wisdom in responding to the socio-cultural conditions of the society in which Islam is growing and developing. This discussion will be discussed separately in the process of creating products based on local wisdom. Fifth, self-change (self-transformation), namely that a believer has one final goal to be achieved, which is close to Allah. This value is the culmination of the above values so that people know that the worship received one of which *muamalah* will return to Allah.

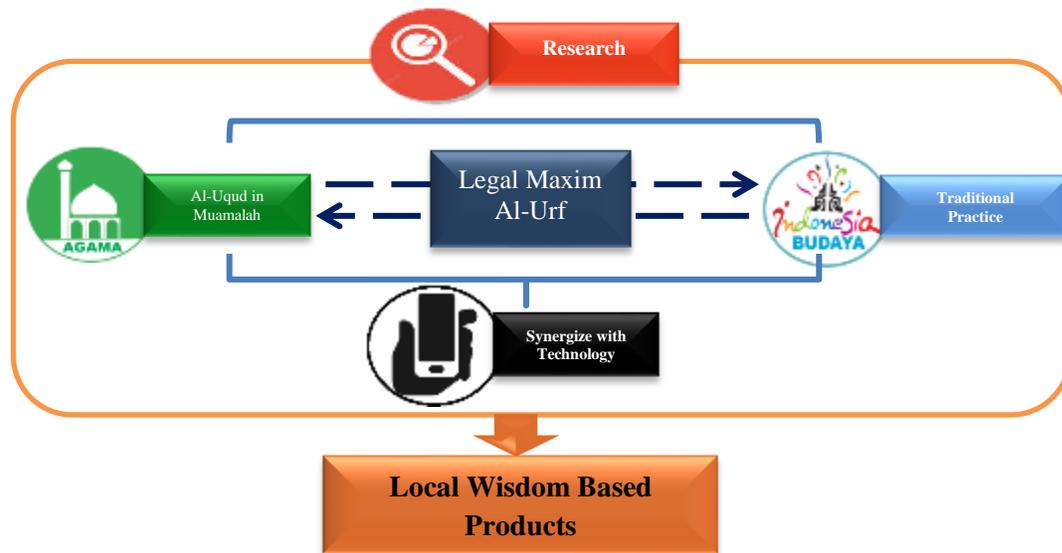
When Islamic economic propaganda is carried out, local wisdom-based products must also reinforce the da'wah itself. As a statement in the research of (Abdullah & Rahman, 2007; Gerrard & Cunningham, 1997; Ghani, 2012; Ghoni et al., 2016; Hamid & Nordin, 2009; Muhamat et al., 2011) that one of the constraints on Islamic financial products lies in the Arabic terms. The discourse of replacing Arabic terms is unnecessary, but it is required to add special products to the microfinance segment. If we explore further when realizing local wisdom-based products, alternative solutions emerge: 1) Arabic terms are matched with local language terms; 2) adopt economic practices in the local area and make it a financial product. If the first alternative is carried out, the screening process for the product's legal status is unnecessary, considering that Islamic financial products are now shaded by the umbrella of the National Sharia Council of the Indonesian Ulama Council.

If the second alternative is carried out, then some problems will arise; if economic practices are not found in the category of the named contract³, which is appropriate in the study of classical scientific treasures, it is necessary to do an in-depth study of it, and need to be synergized between the local Ulama Council with Islamic financial institutions. If the economic practice is categorized as *haram* (prohibit), the solution is to name the product in local terms and correct the economic practice according to Sharia rules. The most important thing is developing Islamic financial products based on shariah compliance because it impacts public trust in Islamic financial institutions to interfere with obtaining market share (Apriyanti, 2018). For that reason, innovating products based on local wisdom following the sharia signs need to be considered to explore further the practices that develop in the community and then be analyzed with the applicable *fiqh* rules. However, the second alternative will be processed through further research activities in each economic practice as shown below:

Figures. 2.

³A named contract is a contract that has been determined for its purpose and name by the law maker and special conditions that apply to it and do not apply to other contracts (Aprianto, 2018; Isfandiar, 2009).

The Process of Forming Local Wisdom-Based Products



Source: Processed from various sources

As seen in Fig. 2, the *'urf* rules are a means of the analysis of the culture of the community, while the economic practices referred to in this paper are traditional practices that have prevailed until now. Please note that in this case, the relationship between culture (traditional practices) with *muamalah* or, more specifically, financial transactions must meet several conditions in the *'urf* rules, namely the first condition with the rules derived from *al-'adah muhakkamah* (Ahmad, Osmani, Shahed, & Karim, 2010; Zakariyah, 2012; Bello & Hassan, 2013; Fawzi, 2018) is *al-ta'yin bi al-'urf ka ta'yin fi al-nash*. The point is that the culture prevailing in the community has a binding force so that its application as a law is the same as what is determined by the text, which is essentially a virtue. The culture and texts of the texts go together to achieve the benefit of the ummah. This can be implemented between *'urf* being a script in a transaction and using objects in the *ijarah* agreement (Addiarrahman, 2013). Applying the previous rules is also the same as explained in *al-tsabit fi al-urf ka al-tsabit fi al-nash* (something specified in *'urf* is the same as that of the text) (Zahrah, 1958). and the rules of *al-ma'ruf 'urfan ka al-masyruth syarthan* (something good becomes *'urf*, as required it becomes a condition) (Al-Khallaf, 1956). The two precedents are based on the principle of *isti'malu al-nas hujjah yajibu al-aluamalu bi ha* (what has become a community habit, has certainty, and must be practiced), al-Zuhaili in Addiarrahman explained the habits of the people that were not in conflict with the Shari'a possessed the necessity and were obligatory, so that the four rules were interrelated (Addiarrahman, 2013). The final rule that reinforces this requirement is *al-ma'ruf baina al-tujjar ka al-ma'ruf bainahum* (what has become a habit among traders, it is a habit for them) (Addiarrahman, 2013). As the rules stated traditional practices in Indonesia are identified as the culture in their respective places based on direct research on the practices contained in the thesis, and journal. These practices are listed as follows:

Table. 1
Traditional Practice in Indonesia

Community Practices / Traditions	Area	Uqud in Muamalah	Maslahah Dharuri	Hajat
<i>Celong</i> ⁴ (Hakim, 2014; Yulianti, 2010)	Manggarai (Southeast East Nusantara)	<i>Ijarah</i>		√
<i>Pemajakan</i> ⁵ (Sudiarti, 2016)	North Labuhan Batu Regency (North Sumatera)	<i>Ba'i al-Wafa</i>	√	
<i>Pagang Gadai</i> ⁶ (Sudiarti, 2016)	Batahan, Mandailing Natal Regency (North Sumatera)	<i>Ba'i al-Wafa</i>	√	
<i>Pajak Kebun</i> ⁷ (Sudiarti, 2016)	Mandailing Natal Regency (North Sumatera)	<i>Ba'i al-Wafa</i>	√	
<i>Jual Gadai</i> ⁸ (Sudiarti, 2016)	Serdang Bedagai Regency (North Sumatera)	<i>Ba'i al-Wafa</i>	√	
<i>Gala</i> ⁹ (Fajri, Muksal, Gunawan, & Kesuma, 2017; Ibrahim, 2012a; Iqbal & Sukirno, 2017)	Kuala Batee district dan Manggeng district, Aceh	<i>Rahn/Ba'i al-Wafa</i>	√	
<i>Nating</i> ¹⁰ (Yustini, Mulyana, Yamin, & Minha, 2011)	Pagar Alam dan Lahat, South Sumatera	<i>Rahn/Ba'i al-Wafa</i>	√	
<i>Gala Umong</i> (Safrizal, 2016)	Pidie Regency, Aceh	<i>Rahn/Ba'i al-Wafa</i>	√	

⁴*Celong* is a system of borrowing goods / land or a kind of vehicle rental (horse / buffalo for rice processing purposes). Payment of *celong* can be in the form of participating in the paddy field of the livestock owner or vehicle or helping with the work or by providing agricultural products after harvest. Variants of payment or contrast quite a lot. The concept of *celong* always means that, at the end of the *celong* period, the goods will be returned to their original state (Yulianti, 2010).

⁵The practice of *pemajakan* is to assume that someone who needs money / funds for a child's or family's school fees needs, they invite the garden to get these funds, with the agreement that if the funds obtained can already be returned, then the garden that is used as the object of the transaction is returned to the owner of the garden. During the time the money cannot be returned by the owner of the garden as long as the buyer can also benefit from the garden (Sudiarti, 2016).

⁶*Ba'i al-Wafa's* practice, which they called *pagang gadai* or tax apprenticeship, took place in Madina district, precisely in Batahan sub-district. This practice equals the practice of *pemajaka*. (Sudiarti, 2016).

⁷*pajak kebun* which is carried out by the Mandailing Natal community usually pawns coconut plantations. (Sudiarti, 2016).

⁸*Jual gadai* is used by the people in Serdang Bedagai district but the practice is similar to *pemajakan* (Sudiarti, 2016).

⁹*Gala* is a loan-lending agreement between *gala* and *gala* recipient to meet their financial needs in an urgent need in everyday life. In the mechanism of *gala* agreement if the parties have agreed to *gala* agreement, the galaxist declares the use of *gala* object as a guarantee to *gala* party, while *gala* party gives the monies promised in cash to *gala* the *gala* party (Iqbal & Sukirno, 2017).

¹⁰*Nating* is divided into two, first *Nateng Kuasa*: meaning that the farmer who owns the land is either cultivating or mortgaging the paddy/garden, whether to relatives, surrounding residents, middlemen or to an agent (called *penating*) who has capital, by agreement or agreement the farmer may work on the field / the garden, and when the harvest has been divided the percentage is determined and within a specified time period it is usually 1 year or more. Ordinary *Nating* (not authorized): the farmer who owns the land has said he mortgaged his rice field/farm /garden even to the *penating* farmer but the farmer is not given the power to work on his land, because the *penating* has the right to order other people or farm workers he wants to work on, so its nature is just like ordinary debt and payments and the amount of loan repayment is mutually agreed according to the agreement made (Yustini et al., 2011).

<i>Mappasanra/pasanra/massanra</i> ¹¹ (Hazanah, 2017; Ikbal, 2016; Parakkasi & Amri, 2019)	South Sulawesi	<i>Rahn/Bai' I al-Wafa</i>	√
<i>Ta'ga' biasa</i> ¹² (Muchsin, 2016)	Mehalaan District, Mamasa Regency	<i>Rahn</i>	√
<i>Ta'ga' dipakdua</i> ¹³ (Muchsin, 2016)	Mehalaan District, Mamasa Regency	<i>Ba'i al-Wafa</i>	√
<i>Pohulo'o</i> ¹⁴ (Darwis, 2018)	Gorontalo	<i>Ba'i al-Wafa</i>	√
<i>Adol Sende</i> ¹⁵ (Hidayah & Rahadiyan, 2017; Latifah, 2017)	Jawa	<i>Ba'i al-Wafa</i>	√
<i>A'balu taung</i> ¹⁶ (Jannah, 2017)	Parigi, Gowa Regency, South Sulawesi	The contract is not named <i>Mukhabarah dan Muazarah</i>	√
<i>Mawah</i> ¹⁷ (Ibrahim, 2012)	Aceh	<i>Muzara'ah/Muzarah</i>	√

¹¹*Pasanra/Mappasanra* (pawning) in general pawning (rahin) goes to the pawning recipient (murtahin) to borrow money to meet the needs of the garden as collateral. the ownership / utilization rights of the estate are in the hands of the pawner (murtahin) until the repayment of the debt. Payment of debt knows no time limit and the contract ends when the pawner (rahin) pays the debt according to the amount of money borrowed (Ikbal, 2016).

¹²Ordinary *ta'ga'* is a pawn contract where the pawner borrows money from the pawn recipient with a pawn agreement made by the pawn recipient, and the results are fully enjoyed by the pawn recipient. Usually the agreement is agreed upon for two years, but if within two years the pawner has not been able to return the loan, the pawn recipient continues cultivation of the rice field until the pawner can repay the loan (Muchsin, 2016).

¹³*Ta'ga' dipakdua*/profit-sharing pawn, that is, if the owner of the paddy field is working on the field, the harvest will be divided into two with the pledge recipient. Of the two pawning methods above, the agreement is usually agreed upon in two years, but if within two years the pawner has not been able to return the loan, the pawner or the pawn recipient continues cultivation of the fields until the pawner can repay the loan (Muchsin, 2016).

¹⁴*Pohulo'o* practice in Gorontalo involves two parties, namely the pawnbroker and the pawner. Mortgaged goods are generally high-value and profitable goods, mainly in the form of rice fields. Determination of rice fields is due to the pawn holders do not want if the goods used as collateral are not profitable for them (Darwis, 2018).

¹⁵*Adol sende* is a pawn sale of land, one of the transactions that is still widely carried out by the Javanese people (Hidayah & Rahadiyan, 2017)

¹⁶*A'balutaung* is the sale and purchase of the benefits of working on land, where the land is owned by several parties. Usually the ownership of the land is caused by inheritance

¹⁷*Mawah* is the paddy field, while the seeds for the contents of the paddy are from farmers, usually when harvested the results will be divided into three parts with details of one part for the owners of the fields and two parts for tiller farmers. Whereas if the rice field owner bears the rice seeds planted, the profit sharing set is 50% for the owner and 50% for the farmer.

¹⁸profit sharing system that occurs between the land owner's family and the tenant/user, although usually having a kinship. Farmers who cultivate other people's land get at least 50% of the harvest (maro / paron), and often more, even up to 75% (telon). Tenants and landowners alike participate in the procurement of fertilizer production sharing

<i>Mertelu</i> ¹⁹ (Kumalasari, Sigalingging, & Suprayogi, 2015; Supriyatna, 2015)	Central Java /East Java	ah Mukhabar ah/Muzar' ah Mukhabar	√
<i>Mampaduo</i> ²⁰ (Irawan, 2018)	Minangkabau, West Sumatera	ah/Muzar' ah Mukhabar	√
<i>Matesan Uma</i> ²¹ (Akbar, Kara, & Abdullah, 2017)	Enrekang South Sulawesi	ah Muzara'a	√
<i>Tesang</i> ²² (Darmanita & Muin, 2016)	South Sulawesi	h/Mukhab arah	√
<i>Ma'pajak</i> ²³ (S & Suhandani, 2016)	Luwu South Sulawesi	Muzara'a h	√
<i>Mangpandan doi</i> ²⁴ (Suwaib, Abdullah, & Kara, 2018)	Lunjen Enrekang	<i>Al-Qardh</i>	√
<i>Gulingan</i> ²⁵ (Ningrum, 2015)	Balai Jaya District Rokan Hilir Regency	<i>Al-Qardh</i>	√

practices like this is referred to as profit sharing with the principle of *Al-Muzara'ah* (*Harvest-Yield Profit Sharing*)(Yulianti, 2010).

¹⁹The *mertelu* system of all production costs is the responsibility of the tiller, the paddy owner is only obliged to pay half the fertilizer costs needed, while the cost of wage for harvesting the cultivator gets two-thirds of the portion and the paddy owner gets one third of the rice planted in the field (Kumalasari et al., 2015).

²⁰The production sharing agreement in which all cultivation, maintenance, fertilizer, seed, and harvest costs are all borne by the cultivators, while the land owner only provides land and receives the harvest according to the agreed profit sharing ratio at the beginning of the agreement. The profit-sharing system is determined by the type of land, if the land comes from a decline (Pusaka Tinggi), then the family (*Badunsanak*) will prioritize the results. If the cultivator is from a family, then the distribution of profit sharing is 1: 3, if other than family, the distribution is 1: 2 (Irawan, 2018).

²¹*Matesan uma* model of agricultural cooperation carried out by two parties in which land management is carried out by the tiller farmers, and the other party acts as the owner of the land by making an agreement to share agricultural produce at harvest. In managing land, the managing farmer has the right to plant seedlings, maintain plants, provide fertilizer for plants, irrigate and harvest them when it is time. In terms of capital, land and seeds are all charged to the land owner, for the problem of loss borne by the land owner. use a ratio of 50:50 (1: 1) and when it suffers losses the landowner provides compensation in the form of condolence money (*Asse Penawa*) to sharecroppers.

²²*Tesang* system has three forms, first is land from the owner while seed and management come from the cultivator. The second form of land from the owner is managed by the cultivator where the seeds are equally borne. The third form of land and seeds from land owners and managers only work on rice fields (Darmanita & Muin, 2016).

²³*Ma'pajak* is done by the land owner entrusting his land to be managed by prospective cultivators until the time limit of two, three or more harvest time according to the agreement while the seeds come from cultivators (S & Suhandani, 2016).

²⁴*Mangpandan doi* transactions are qardh contracts in Islamic fiqh. In the practice of mangpain and doi and qardh transactions, they do not have the same tempo and nominal at the time of repayment of accounts payable. This practice is influenced by factors creditors who have material reliability and the debtor is a trusted relative.

²⁵The practice of traditional *gulingan* is an activity of collecting funds borrowing money or building materials with unspecified fees that continues to roll from one party to another according to the time of house construction carried out by those who participated in the traditional rolling.

<i>Appattimoro</i> ²⁶ (Sirajuddin, 2017)	Tompobulu District Bantaeng Regency	The contract is not named	√
<i>Tungu pani or tungu uhu</i> (Soegiono, Atahau, Harijono, & Huruta, 2019)	Sumba	Profit Sharing	√

Literature search results from various regions as listed in Table 1. that traditional practices in Indonesia are dominated by the practice of *rahn/ba'i al-wafa* and *al-muzara'ah/al-mukhabarah* and *Qardh* contracts. From the characteristics of traditional practices Indonesian people do, capital owned as a source of the economy by the community relies on agricultural land and plantations. When viewed in terms of the named contract, one contract is still in the realm of *ikhtilaf*, namely *ba'i al-wafa*. In addition, there are two nameless contracts, and the rest there is no problem with them.

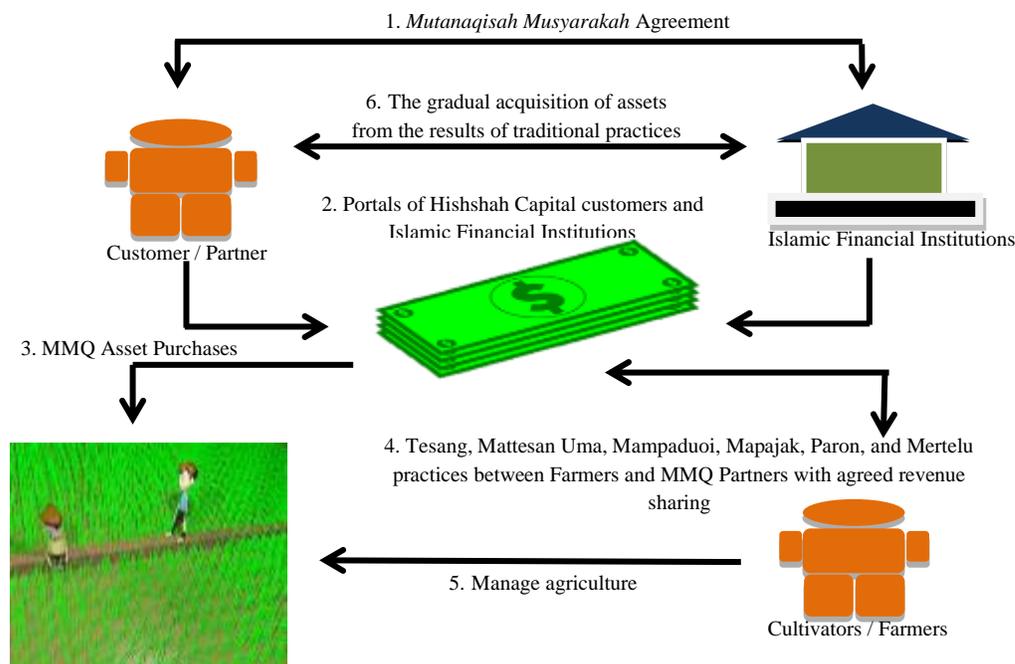
The second requirement is continuity (*al-istimrar*) practices or traditions carried out by the community. The continuity process will select culture in society as the *istiqamat al-hukm* (legal stability) (Harisudin, 2016). See the practices in the Table. A compilation of studies covering local wisdom studies from the period 2010 to the present, the practice has been declining practically even today. This indicates that the second requirement is *al-istimrar* allows being filtered into the third condition. The third requirement is that there is an element of *mashlahah*. *Urf* is an independent rule but requires rational analysis with consideration based on *mashlahah* and *ihsan*. *Mashlahah* will appear in problems when viewed from the side of space and time because, at the same time, certain problems are not necessarily the same as other problems in different times and spaces. Therefore the context of the '*urf* in economic practice in society will be varied according to the processes behind it (Harisudin, 2016), the applicable rules *ainama wajida al-mashlahah fa tsamma hukm Allah* (Where there is *mashlahah*, then there is God's law). Apart from the three requirements mentioned, some things need to be underlined. The practice examined in this paper needs to be further analyzed by anthropological studies. This was done because regional languages might have the same phonology (sound) with different meanings or the opposite. Of course, this is already listed at the forefront of Islamic law, namely the study of '*urf qawli*. As did Sudiarti, which equates meaning (selling-pawn) in terms of *pemajakan*, *pagang gadai*, and *pajak kebun*, and also terms *massanra/pasanra/mappasanra*, which are both in *Buginese* language, but the practice in each region is different (Sudiarti, 2016). Ikbal's research shows that the practice does not make it harder for *rahin* to experience difficulties in ransom payment (Ikbal, 2016). In contrast to the Parakkasi & Amri study, if *rahin* is unable to pay the ransom payment, the transaction starts from the beginning (Parakkasi & Amri, 2019).

As in the Table. 1. *Mashlahah*, which is contained in traditional practices, is analyzed in existing literature studies; this paper states that practices in the form of *muzara'ah/mukhabarah*

²⁶ The *Appattimoro* System 'is a loan-lending and borrowing money transaction to *Pattimoro*' and will be paid for with coffee whose price is below the market price or half the original price. After that, the coffee will be given during the harvest season, but if the harvest season arrives, farmers experience crop failure then the coffee can be given at the next harvest and the amount of coffee is doubled from before (Sirajuddin, 2017).

and *ijarah* exist in *mashlahah hajiyyat*. This happens because the literature studied shows no impact if there is no inevitability of the proposed *khamsah* (religion, soul, intellect, descent, and property) in practice, so that what is done is purely non-urgent needs. Therefore, if it is simulated in a local wisdom-based product scheme, many variations can be done, especially in contracts relating to agriculture. Generally, schemes in *muzara'ah* and *mukhabarah* contracts, Islamic financial institutions become landowners while cultivators as land managers (Meutia, Adam, & Vegirawati, 2017; Ngasifudin, 2016; Ridlwan, 2016; Shafiai, 2011), if it is illustrated and innovated into a *murakkabah* contract, it will be more compatible with the *mutanaqisah musyarakah* contract by changing the *ijarah* contract to the *muzara'ah/mukhabarah* contract. This scheme will increase the variety of collection products by offering cooperation schemes commonly practiced by the community and distribution products with the *muzara'ah* contract scheme. The following schemes occur in figure 3.

Figure 3.
Scheme of Local Wisdom-Based Products using the Mutanaqisah Musyarakah Agreement and Muazara'ah / Mukhabarah



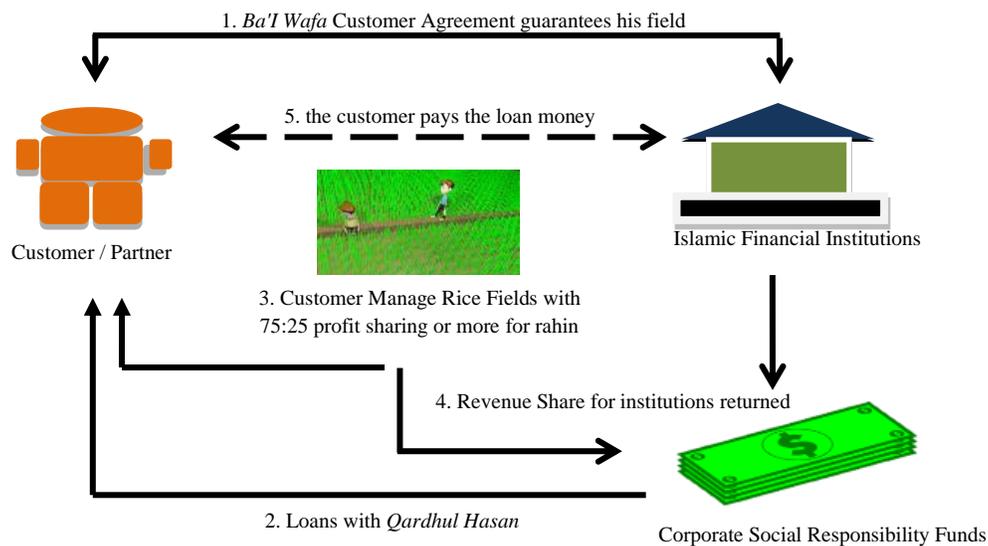
Sources: Processed from various sources

Ba'i al-Wafa is better known among hanafiyah, while in the Shafi'i school, the term is *ba'i al-uhdah*. In this paper, practice with the *Ba'i al-Wafa* agreement is stated at the level of the *mashlahah dharuri*. The results of the literature studies show that people who pledge their fields or plantations willingly accept the conditions for the use of collateral because they are in dire need of funds (one of *al-usul of khamsah*, i.e., *al-mal*). Therefore, the Hanafi school of law

allows this practice as *illat* is used to use *maslahah* as a benchmark of the permissibility of the practice (Al-Masri, 2018; Fahriansah, 2017; Ibrahim, 2012a; Kudus & Naghfir, 2017; Pratiwi & Noprizal, 2017; Sudiarti, 2016). Studies on the practice of *ba'i al-wafa*, when confronted with studies of Islam and reality in Indonesia have been responded to by the Nahdatul Scholars in *Bahtsul Masail* 4 times (Pujiono, 2010), and in *ijtihad inqita'i* prohibited the practice. The emphasis of this practice is on the conditions of utilization of pawn goods, as is the case with traditional practice in Indonesia. Although there is a rule of *al-hukm yatagayyaru bi al-azminah wa al-amkinah*, the Council of Indonesian Scholars has not looked into this matter. However, Pratiwi and Noprizal's research tried to innovate the contract of *Ba'i al-Wafa* and UGT Sidogiri Wonokerto Branch to implement the agreement and proved to be quite effective in increasing financing products (Kudus & Naghfir, 2017).

Figure 4.

Schema of *Nating, Mapajak, Massanra, and Taga* Practices of Islamic Financial Institutions



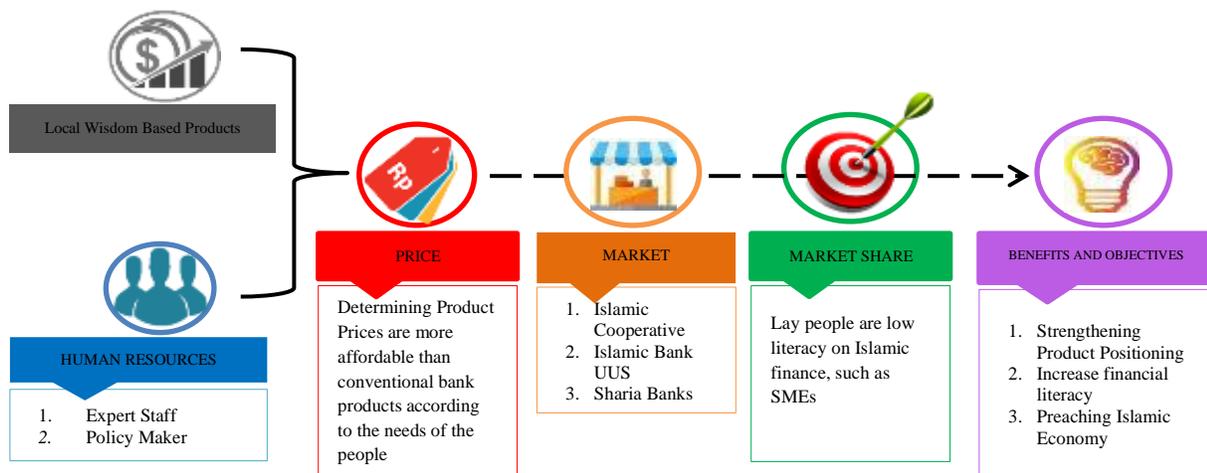
Sources: Processed from various sources

Reaching a common ground in the practice of *ba'i al-Wafa* can be done by changing the principle of the *tabarru'* agreement to more psychosufitic psychosufitic. The pattern developed by Pratiwi and Nopizal in formulating a hybrid contract between *ba'i al-wafa wal muzara'ah/mukhabarah* has a weakness in using third-party funding sources course customers and banks will wait until the harvest time arrives (Pratiwi & Noprizal, 2017). The author provides a solution by developing corporate social responsibility (CSR) funds in Islamic financial institutions, capital in providing loans originating from CSR for the consumptive needs of the community. Consumptive needs referred to in this paper are spending money on urgent matters in the community, so that the price of guarantees higher than loans will provide a solution to congestion risk management. Furthermore, to avoid usury and Sharia guidelines on pawning goods, land should only be managed by *rahin*. That way, the covenant of *mukhabarah/muzara'ah* is done with a profit sharing ratio of 75:25 or greater than that for *rahin*.

This is to provide an opportunity for rahin to pay bail. Whereas profit sharing for banks is not permitted to be used in operational matters but is included in CSR funds, Islamic financial institutions do not engage in *ribawi* practices.

After explaining the discussion of the study of the development of Islamic financial products based on local wisdom, it needs to be known as in Figure. 2 that this financial product should synergize with technology to strengthen the branchless banking network in the form of mobile banking as a supporting facility for customers (Apriyanti, 2018; Ulum, 2014; Yudianta, 2018), because for now Islamic banking is still faced with the limitations of information technology while Islamic microfinance institutions have not been able to match the achievement of Islamic banking (Harahap, 2017).

Figure 5.
Islamic Financial Synergy with Local Wisdom-Based Products



Source: *Perencanaan & Nasional*, (2019) modified

The synergy of Islamic finance with local wisdom-based financial products requires various parties, such as IT experts and policymakers, to lead roles (Ulama Council, Bank Indonesia, Financial Services Authority, and National Islamic Finance Committee). The first thing is how policymakers can legally protect the products based on local wisdom in the framework of the law or fatwa. When that is realized, then the Islamic financial institutions can implement it. Second is how policymakers discuss prices, Ezry Fahmy said that Islamic banking in Malaysia is not sharia because the cost of its products is expensive, so they do not contribute to the small and medium economy (Yusof, 2008). Although determining prices is the right of Islamic financial institutions, policymakers can urge them to determine a more affordable price for ordinary people. Therefore, if the sharia-based financial products based on local wisdom can be realized, the potential and strategy can be analyzed as follows:

Table. 2
SWOT Analysis of Local Wisdom Financial Products Based on Wisdom

	Strengths	Weaknesses
Internal	1. The existence of ulama's and ustadz who can help	1. There are no laws and mandates that support

<p>External</p>	<p>preach financial products based on local wisdom</p> <ol style="list-style-type: none"> 2. Ulama councils are structured in every region 3. Indonesian people have local genius and love the values of the region 4. Increased research related to economic practice in the community 5. There is a cooperative relationship between Islamic banking and Islamic cooperatives 	<p>them</p> <ol style="list-style-type: none"> 2. Islamic banking employees do not allow to sell the product by using regional languages 3. Employees do not speak the local language 4. Technology-based product development has not been sufficient in microfinance
	<p>Opportunities</p> <ol style="list-style-type: none"> 1. Majority of the Muslim population 2. Traditional practices still exist today and have their market share 3. The term product with regional languages makes it easy for people to get information 4. Increased public awareness by looking at the growing halal industry growth 5. Youth in the area often promote their regions through the web and social media. 	<p>Strategy SO</p> <ol style="list-style-type: none"> 1. Organizing product socialization by cooperating with scholars, practitioners, academics, and religious teachers, in rural areas 2. Establish cooperation between educational institutions, the Ulema Council, and Practitioners in adding local wisdom research activities 3. Strengthening branchless banking between Islamic banks and Islamic cooperatives to promote local wisdom products 4. Recruitment of employees in the local area in accordance with local wisdom
<p>Threats</p> <ol style="list-style-type: none"> 1. The price of conventional 	<p>Strategy ST</p> <ol style="list-style-type: none"> 1. Making a focus discussion between educational 	<p>Strategy WT</p> <ol style="list-style-type: none"> 1. Collaborate with Bank Indonesia and the

<p>financial institution products is more affordable than Islamic financial institutions</p> <p>2. Habits of the public are still dealing with loan sharks</p>	<p>institutions, the Ulema Council, and practitioners to discuss marketing products of local wisdom</p> <p>2. Massively socializing local wisdom products by frequently assisting the community</p>	<p>Financial Services Authority to draft a regulation on pricing that is affordable for rural communities</p>
--	---	---

We propose strategies in terms of SO, WO, ST, and WT to prioritize low literacy levels. By seeking cooperation from various sectors between government scholars and bankers will facilitate this strategy to be achieved. Of course, creating FGDs from the integration of multiple sectors will give encourage reasonable regulations for the Islamic banking market share in Indonesia

CONCLUSION

There are two attempts to integrate local practices with financial inclusion, namely by changing Islamic economic preaching patterns to be more psychosufistic in the form of walisongo, which embodies the value of monotheism, which aims to create customer loyalty, humanity to make positioning of Islamic financial institutions in the hearts of the people, humility to knocked the hearts of the people about the propaganda of Islamic economics, local wisdom in economic practice in realizing the empowerment of the ummah and self-transformation towards God Almighty. Second, examine the economic practices of the community and make it a product based on local wisdom to support the psychosufistic preaching of Islamic financial institutions.

REFERENCE

- Abdullah, R. F. S., & Rahman, A. R. A. (2007). Factors Influencing Knowledge of Islamic Banking Services: The Case of Malaysian Bank Managers. *Review of Islamic Economic*, 11(02), 31–54.
- Addiarrahman. (2013). Kritik Nalar Perbankan Syari’ah: Perspektif Legal Maxim. *Az Zarga*’, 5(2).
- Adeyemo, L. K., & Oloso, K. K. (2015). Islamic Banking and Finance Today : Issues and Implications. *Islam and Civilisational Renewal*, 4(3), 424–436.
- Ahmad, A. U. F., Osmani, N. M., Shahed, A. K. M., & Karim, M. F. (2010). Shari’ah Maxims and Their Implication on Modern Financial Transactions. *Journal of Islamic Economic, Banking and Finance*, 06(03), 75–104.
- Akbar, J., Kara, M., & Abdullah, M. W. (2017). Mattesan Uma Membangun Konsep Bagi Hasil Pertanian Berbasis Keadilan dan Kemaslahatan. In *Prosiding Konferensi Nasional Ke- 6 Asosiasi Program Pascasarjana Perguruan Tinggi Muhammadiyah ‘Aisyiyah (APPPTMA)* (pp. 8–9).
- Al-Khallaf, A. W. (1956). *Ilm Ushul al-fiqh* (8th ed.). Kairo: Maktabah al Da’wah al Islamiyyah Syabab al-Azhar.

- Al-Masri, R. Y. (2018). Renting an Item to Who Sold It Is It Different from Bay ' Al-Wafa ' Contract? *Journal of King Abdul Aziz University: Islamic Econ*, 19(02), 39–42.
- Aprianto, N. E. K. (2018). Implementasi Bentuk-Bentuk Akad Bernama dalam Lembaga Keuangan Syariah. *Islamiconomic: Jurnal Ekonomi Islam*, 09(01), 113–130.
- Apriyanti, H. W. (2018). Model Inovasi Produk Perbankan Syariah di Indonesia. *Economica: Jurnal Ekonomi Islam*, 09(01), 83–104.
- Aziz, M. R. A., & Noh, M. S. M. (2014). The Role of Five Major Shari'ah Legal Maxims (Al-Qawaid Al-Kubra) in the Establishment of Maqasid Al-Shari'ah in Islamic Financial Products: A Discussion on Some Cases. *European Journal of Business and Management*, 06(10), 63–70.
- Badan Perencanaan Pembangunan Nasional. (2019). *Masterplan Ekonomi Syariah Indonesia 2019-2024*. Jakarta: Kementerian Perencanaan Pembangunan Nasional.
- Bello, S. A. A., & Hassan, R. B. (2013). Application of 'Urf in Islamic and Conventional Bank. *Journal of Arts and Humanities*, 02(04), 62–72.
- Bello, S. A. A., Yasin, N. M., Hassan, R. B., & Bin, Z. K. M. Y. (2015). Al-'Urf and Its Applicability in Islamic Deposit Products. *American Journal of Economic, Finance and Management*, 01(02), 35–42.
- Creswell, J. W. (1998). *Qualitative Inquiry and Research Design: Choosing among Five Traditions*. United States of America: Sage Publications.
- Darmanita, & Muin, R. (2016). Penerapan Bagi Hasil Pada Sistem Tesang (Akad Muzara'ah) Bagi Masyarakat Petani Padi di Desa Datara Kecamatan Tompobulu Kabupaten Gowa. *Jurnal Iqtisaduna*, 02(01), 34–54.
- Darwis, R. (2018). Tradisi Pohulo'o Pada Masyarakat Gorontalo Perspektif Hukum Ekonomi Syariah. *Al-Izzah: Jurnal Hasil-Hasil Penelitian*, 13(02), 255–271.
- Er, B., & Mutlu, M. (2017). Financial Inclusion and Islamic Finance: A Survey of Islamic Financial Literacy Index. *International Journal of Islamic Economics and Finance Studies*, 03(02), 33–54.
- Fahriansah. (2017). Transaksi Ekonomi Klasik Masyarakat Aceh (Analisis Kelayakan Taqin Hukum Ekonomi Syariah). *Ihtiyadh: Jurnal Manajemen Keuangan*, 01(02), 1–31.
- Fajri, I., Muksal, Gunawan, E., & Kesuma, T. (2017). Gala (Gadai Tradisional) Sebagai Solusi Alternatif Pengentasan Kemiskinan. In *Seminar Nasional II USM 2017* (Vol. 1, pp. 306–313).
- Fawzi, R. (2018). Aplikasi Kaidah Fiqh العادة محكمة dalam Bidang Muamalah. *Amwaluna*, 02(01), 147–167.
- Gerrard, P., & Cunningham, J. B. (1997). Islamic Banking: a Study in Singapore. *International Journal of Emerging Markets*, 15(06), 204–216.
- Ghani, A. (2012). Konasi Masyarakat Terhadap Penggunaan Arabic Terms dan Dekskripsi Finance Scheme Dalam Pemasaran Produk Bank Syariah (Analisa Pada Masyarakat Kota Yogyakarta). *Jurnal Ekonomi Syariah Indonesia (JESI)*, 02(02), 155–166.
- Ghoni, A., Suropto, T., & Salam, A. (2016). Konasi Komunitas Pesantren Yogyakarta dalam Penggunaan Arabic Terms dan Indonesian Terms pada Skim Produk Bank Syariah. *Al-Falah: Journal of Islamic Economics*, 01(02), 147–162.
- Habiburrahman, M. (2015). Islamic Legal Maxims and Their Relevance to Business and Finance. *Journal of Islam in South Asia (JISA)*, 01(01), 205–232.

- Hakim, A. (2014). Kearifan Lokal dalam Ekonomi Islam (Studi Atas Aplikasi al-Urf Sebagai Dasar Adopsi). *Akademika*, 08(01), 65–81.
- Hamid, A. H. A., & Nordin, N. A. M. (2009). A Study on Islamic Education and Strategy for The New Millenium - Malaysian Experience. *International Journal of Islamic Financial Services*, 02(04), 1–9.
- Harahap, A. T. (2017). Tantangan dan Peluang Lembaga Keuangan Syariah. *Jurnal Bisnis Corporate*, 02(02), 1–15.
- Harisudin, M. N. (2016). ‘Urf Sebagai Sumber Hukum Islam (Fiqh) Nusantara. *Al-Fikr: Jurnal Pemikiran Islam*, 20(01), 66–86.
- Hazanah, N. (2017). *Analisis Hukum Islam Terhadap Praktek Mappasanra Tanah sawah (Studi Kasus Desa Singa Kecamatan Herlang Kabupaten Bulukumba)*. Universitas Islam Negeri Alauddin Makassar.
- Hermansyah. (2013). Kearifan Lokal Sebagai Model Pendekatan Ekonomi Syari’ah. *Istinbath*, 12(01), 167–204.
- Hidayah, N. P., & Rahadiyan, I. (2017). Eksistensi Praktik Jual Gadai (Adol Sende) pada Masyarakat Dusun Pentong Kelurahan Selorejo Kecamatan Pundhong Kabupaten Bantul. *Legality*, 25(02), 220–231.
- Hidayat, A. R., & Trisanty, A. (2020). Analisis Market Share Perbankan Syariah di Indonesia. *At-Taqaddum*, 12(02), 183–200.
- Huda, N. (2008). Pemikiran Ibn Khaldun tentang Ashabiyah. *SUHUF*, 20(01), 41–52.
- Ibrahim, A. (2012a). Gala dan Rahn: Analisis Korelasi dari Perspektif Ekonomi Islam. *Share: Jurnal Ekonomi Dan Keuangan Islam*, 01(01), 41–50.
- Ibrahim, A. (2012b). Praktik Ekonomi Masyarakat Aceh Dalam Konteks Ekonomi Islam : Kajian Terhadap Sistem Mawah dan Gala. In *Proceeding of The Aceh Development International Conference, International Islamic University Malaysia*.
- Ikkal. (2016). *Skripsi: Pandangan Ekonomi Islam Terhadap Sistem Pelaksanaan Pasanra (Gadai) Kebun di Desa Pattongka Kecamatan Sinjai Tengah Kabupaten Sinjai*. Universitas Islam Negeri Alauddin Makassar.
- Ilham, M. (2016). Konsep ‘Ashabiyah dalam Pemikiran Politik Ibnu Khaldun. *Jurnal Politik Profetik*, 04(01), 1–13.
- Iqbal, M., & Sukirno. (2017). Rekontruksi Perjanjian Gala (Gadai Adat) Pada Masyarakat Adat Aceh Berbasis Syariah. *Law Reform*, 13(01), 98–113.
- Irawan, V. (2018). *Skripsi: Praktik Sistem Mampaduo Perjanjian Bagi Hasil Hasil di Nagari Gunung Medan Sumatera Barat*. Universitas Islam Negeri Maulana Malik Ibrahim Malang.
- Isfandiar, A. A. (2009). Institusionalisasi Akad Muamalah (Studi Transformasi tentang Proses dan Alur Migrasi Akad Personal ke Akad Institusi dalam Perbankan Syariah). *Jurnal Penelitian*, 06(01), 1–18.
- Ismail, Z., Othman, M. S., & Hamid, M. A. (2009). Toward Understanding The Knowledge on The Concepts and Arabic Term in Takaful. *Jurnal Pendidikan*, 29(1).
- Jannah, M. (2017). *Jual Beli Tanah Sawah Milik Bersama (A’Balu Taung) Dalam Pandangan Ekonomi Islam Di Desa Manimbahoi Kec. Parigi Kab. Gowa*. Universitas Islam Negeri Alauddin Makassar.
- Kariastanto, B. (2013). Small Share of the Islamic Banks in Indonesia, Supply-side Problems? *Munich Personal RePEc Archive, Kariastant(47061)*.

- Khoiruddin. (2016). Analisis Teori Ashabiyah Ibn Khaldun Sebagai Model Pemberdayaan Ekonomi Umat. *Asas Jurnal Hukum Dan Ekonomi Islam*, 08(01), 66–75.
- Kudus, & Naghfir. (2017). Efektivitas Akad Pembiayaan Ba'i al-Wafa' Pada Baitul Maal Wat Tamwil. *Arena Hukum*, 10(01), 1–19.
- Kumalasari, S., Sigalingging, H., & Suprayogi. (2015). Pelaksanaan Perjanjiaan Bagi Hasil di Desa Kaliglagah Kecamatan Loano Kabupaten Purworejo. *Unnes Civic Education Journal*, 01(01).
- Latifah, H. (2017). Transaksi Sende Ditinjau Dari Maqasid Al-Shari'ah Al-Shatibi (Studi di Desa Rejoagung Kecamatan Ngoro Kabupaten Jombang). *At-Tahdzib*, 5(2), 148–174.
- Mas'udi. (2015). Dakwah Nusantara (Kerangka Harmonis Dakwah Walisongo dalam Diseminasi Ajaran Islam di Nusantara). *At-Tabsyir: Jurnal Komunikasi Penyiaran Islam*, 03(02), 279–298.
- Meutia, I., Adam, M., & Vegirawati, T. (2017). Comparative Analysis of Agricultural Financing in Some Countries. *Tazkia Islamic Finance and Business Review*, 11(01), 15–38.
- Muchsin. (2016). Tinjauan Hukum Islam Terhadap Praktek Gadai Sawah (Studi Kasus Desa Salu Balo Kecamatan Mehalaan Kabupaten Mamasa). *J-ALIF Jurnal Penelitian Hukum Ekonomi Syariah Dan Sosial*, 01(01), 87–97.
- Muhamat, A. A., Jaafar, M. N., & Azizan, N. binti A. (2011). An Empirical Study on Banks' Clients' Sensitivity Towards The Adoption of Arabic Terminology Amongst Islamic Banks. *International Journal of Islamic and Middle Eastern Finance and Management*, 04(04), 343–354.
- Mujahidin, A. (2016). Peranan Kearifan Lokal (Local Wisdom) dalam Pengembangan Ekonomi dan Perbankan Syariah di Indonesia. *JURIS (Jurnal Ilmiah Syariah)*, 15(02), 153–168.
- Ngasifudin, M. (2016). Aplikasi Muzara'ah Dalam Perbankan Syariah. *Jurnal Ekonomi Syariah Indonesia (JESI)*, 06(01), 38–44.
- Ningrum, A. P. (2015). *Praktek Adat Gulingan di Desa Balam Sempurna Kecamatan Balai Jaya Kabupaten Rokan Hilir Ditinjau menurut Perspektif Fiqh Muamalah*. Universitas Islam Negeri SUSKA Riau.
- OJK. (2017). Roadmap Pengembangan Keuangan Syariah 2017-2019. *Otoritas Jasa Keuangan*, 1–82.
- Parakkasi, I., & Amri. (2019). Massanra Galung dalam Perspektif Ekonomi Syariah di Kecamatan Pammana kabupaten Wajo. *Laa Maisyir: Jurnal Ekonomi Islam*, 06(01), 112–128.
- Pratiwi, R., & Noprizal. (2017). Formulasi Hybrid Contract Sebagai Alternatif Pembiayaan Pertanian di Bank Syariah. *Al Falah: Journal of Islamic Economics*, 02(02), 139–166.
- Pujiono. (2010). *Tesis: Perilaku Ekonomi Warga NU Kabupaten Pasuruan dalam Perspektif Hukum Islam: Studi Penerapan Putusan Bahtsul Masail*. PPS IAIN Sunan Ampel.
- Ridlwan, A. A. (2016). Implementasi Akad Muzara'ah Pada Bank Syariah: Alternatif Akses Permodalan Sektor Pertanian. *Iqtishoduna: Jurnal Ekonomi Islam*, 05(01), 34–48.
- Romli, S., Arwan, & Irham, M. (2018). Implementasi Nilai-Nilai Dakwah dalam Manajemen Pemasaran di Bank BNI Syariah Pekanbaru. *Idarotuna*, 01(01), 68–78.
- Rosidah. (2016). Efek Sosioal Penggunaan Istilah Berbahasa Arab Dalam Praktik Perbankan Syariah, 1(2), 1–28.
- S, Z., & Suhandani, E. (2016). Muzara'ah dan Kesejahteraan Masyarakat Luwu Timur. *Jurnal*

- Muamalah*, 06(01), 24–40.
- Safrizal. (2016). Praktek Gala Umong (Gadai Sawah) Dalam Prespektif Syariah (Studi Kasus di Desa Gempong Dayah Syarif Kecamatan Mutiara Kabupaten Pidie Provinsi Aceh). *Jurnal Ilmiah Islam Futura*, 15(2), 231–250.
- Sebastian Herman. (2015). Negara Mayoritas Muslim, Pangsa Pasar Bank Syariah Kenapa Rendah? In *Forum Riset dan Keuangan Syariah (FREKS) 2015* (Vol. 52, pp. 1–5).
- Shafiai, M. H. B. M. (2011). *Crafting the Agricultural Product and Loss Sharing (aPLS) in the Place of the Profit and Loss (PLS) for Islamic Agricultural Finance* (114 No. 116). Kyoto.
- Sirajuddin. (2017). Sistem Appattimoro' Pada Petani di Kelurahan Campaga Kecamatan Tompobulu Kabupaten Bantaeng. *Laa Maisyir: Jurnal Ekonomi Islam*, 04(02), 1–24.
- Soegiono, L., Atahau, A. D. R., Harijono, & Huruta, A. D. (2019). Local Wisdom in Rural Microfinance: a Descriptive Study on Villagers of East Sumba. *Entrepreneurship and Sustainability Issues*, 06(03), 1485–1496.
- Sudiarti, S. (2016). Bay' al-Wafa': Permasalahan dan Solusi dalam Implementasinya. *Analytica Islamica*, 05(01), 169–201.
- Supriyatna, M. Y. (2015). *Kerjasama Penggarapan Sawah dalam Perspektif Fiqih Mazhab Syafi'i (Studi Kasus di Desa Juntikebon Kabupaten Indramayu)*. Institut Agama Islam Negeri Syekh Nurjati Cirebon.
- Suwaib, A. S. P., Abdullah, M. W., & Kara, M. (2018). Mengungkap Aspek Sedekah dalam Transaksi Mangpaingan Doi pada Masyarakat Lunjen Enrekang. *Jurnal Iqtisaduna*, 4(2), 218–241.
- Tajuddin, Y. (2014a). Komunikasi Dakwah Walisongo Perspektif Psikosufistik. *At-Tabsyir: Jurnal Komunikasi Penyiaran Islam*, 02(02), 97–116.
- Tajuddin, Y. (2014b). Walisongo dalam Strategi Komunikasi Dakwah. *Ad-Din: Media Dialektika Ilmu Islam*, 08(02), 367–390.
- Ulum, F. (2014). Inovasi Produk Perbankan Syariah di Indonesia. *Al-Qānūn*, 17(01), 33–59.
- Widayani, H. (2017). 'Ashabiyah Ibnu Khaldun dan Relevansinya dengan Nasionalisme di Indonesia. *Manthiq*, 02(02), 149–162.
- Yasu'i, A.-A. L. M. al. (1960). *al Munjid fi al Lugah wa al Adab wa al 'Ulum*. Beirut: Matba'ah al-Katulikiyyah.
- Yudiana, F. E. (2018). Modifikasi Branchless Banking pada Perbankan Syariah di Indonesia Berdasarkan Kearifan Lokal. *Muqtasid: Journal of Islamic Economics and Bankinghid*, 09(01), 14–28.
- Yulianti, R. T. (2010). Ekonomi Islam dan Kearifan Lokal. *Millah: Jurnal Studi Agama*, 99–115.
- Yusof, E. F. B. E. (2008). *Are Islamic Banks in Malaysia Really 'Islamic'?* (No. 20901). *Munich Personal RePEc Archive*.
- Yustini, T., Mulyana, A., Yamin, M., & Minha, A. (2011). Analisis Perbedaan Pendapatan Petani Pelaku dan Non Pelaku Nating dalam Kaitannya dengan Risiko Ekonomi dan kegiatan Usaha Tani Rumah Tangga Petani Padi dan Kopi Pagar Alam dan Lahat. In *Seminar Nasional Universitas Trunojoyo* (pp. 1–11). Surabaya.
- Yusuf, M. Y. (2014). Pola Distribusi Zakat Produktif: Pendekatan Maqasid Syari'ah dan Konsep CSR. *Media Syariah*, XVI(01), 207–230.
- Zahrah, M. A. (1958). *Ushul al-Fiqh*. Kairo: Dar al-Fikr al-Arabi.
- Zakariyah, L. (2012). *Legal Maxims and Islamic Financial Transactions: a Case Study of*

Mortgage Contracts and The Dilemma for Muslims in Britain. *Arab Law Quarterly*, 26(03), 255–285.