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SHARIA ECONOMIC ANALYSIS OF VILLAGE LAND AUCTIONS

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Abstract

This study aimed to determine the practice and results of analysis of village treasury land leasing through an auction process in Leran Kulon, Palan, Tuban. The perspective of Syari'ah Economic Law is based on shari'ah propositions and fiqh proposal principles, such as the fulfillment of legal requirements, etc. in judging related muamalah cases. *Ijarah* (leasing) contracts in the modern era continue to grow and have many models for selling leased objects, one of which is the village treasury land offering through an auction process in Leran Kulon, Palang, Tuban. In this leasing, many interested people are invited, but what makes it strange is that the winners of the leased land are just those people, this contains irregularities, whether the rental is running naturally or there is a game that aims to win a certain party. From here, the researcher must research to reveal the nature of the leasing. The research method used descriptive-qualitative, which provides an accurate description and picture of the nature and circumstances of the object under study based on shari'ah principles. While the data collection method used literature, interviews, and documentation The results of this study indicated that the leading of the village treasury land above is by Syai'ah Economic Law, except in the case of forfeited down payments if the auction winner does not pay 50% within 3 months of submitting the down payment. And this is still disputed by the Ulama.

Keywords: *Lease Analysis, Auction, Syari'ah Economic Law*

A. INTRODUCTION

Sharia economics is a part of Islam that has perfect and comprehensive characteristics. Sharia Economic teachings are relevant and can improve conditions in every place and era. The principles include the relationship between humans and God, as well as the muamalah relationship (social and economic interactions) between fellow humans. Allah Ta'ala says:

الْيَوْمَ أَكْمَلْتُ لَكُمْ دِينَكُمْ وَأَتَمَمْتُ عَلَيْكُمْ نِعْمَتِي
وَرَضِيْتُ لَكُمْ الْإِسْلَامَ دِينًا

"On this day I perfect your religion for you, I complete My blessings for you, and I approve of Islam as your religion." (QS 5:3).

All news from the Koran and Sunnah must be honest and trustworthy. These two main sources of Islamic teachings contain prescribed laws that are certainly fair and bring benefits, both in this world and in the

afterlife. One of the laws regulated in the Qur'an and Sunnah is regarding auctions, both in buying and selling and renting. This auction process is known as Mazad or Muzayadah. In the context of buying and selling, Mazad or Muzayadah refers to the process of offering goods or services to several potential buyers who then compete to obtain the goods or services by increasing their bids¹. This concept is similar to rentals, but what is being auctioned is the right to use goods or services for a certain period. This process aims to achieve fair prices based on open bidding and healthy competition, thereby ensuring that the goods or services are obtained by the party that provides the highest value.

This Shari'a not only ensures transparency and fairness in transactions but also prevents fraudulent practices and market manipulation. In this way, Mazad or Muzayadah helps create a healthy and just economic environment, in line with the main principles of Sharia Economics which emphasize honesty, fairness, and benefit for all parties involved.

Auctions are a sales method that has existed since ancient times. Several historical records show that the practice of auctions first occurred around 450 BC². One of the earliest evidence regarding the use of auctions can be found in the story of the Prophet Yusuf 'alaihissalam, which is stated in the Al-Qur'an in Surah Yusuf verses 19 to 21. In this story, the Prophet Yusuf was sold to an Egyptian nobleman through an auction mechanism. The verses describe a situation where Joseph's brothers threw him into a well, and then he was found by a group of travelers who then sold him in an Egyptian

market. This sales process is carried out by auction, where buyers compete to provide the highest bid. Finally, Joseph was bought by an Egyptian nobleman who made the highest offer.

This shows that auctions are not only a method used in modern commercial transactions, but also have a long history that is even recorded in sacred texts. Auction mechanisms have long been recognized as an effective way to determine the value of goods or services through open competition, thereby creating a fair price based on the highest bid from potential buyers. In Islam, the principles of auctions are also recognized and regulated in such a way as to ensure fairness and transparency in transactions, so that they are by sharia teachings which emphasize the importance of honesty, fairness, and benefit for all parties involved.³

Friend Anas bin Malik narrated a hadith related to auctions, which shows how the Prophet sallallahu 'alaihi wasallam implemented the auction mechanism in practice :

أَنَّ رَسُولَ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ بَاعَ جِلْسًا وَقَدَحًا وَقَالَ مَنْ يَشْتَرِي هَذَا الْجِلْسَ وَالْقَدَحَ فَقَالَ رَجُلٌ أَخَذْتُهُمَا بِدِرْهَمٍ فَقَالَ النَّبِيُّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ مَنْ يَزِيدُ عَلَيَّ دِرْهَمٍ مِنْ يَزِيدُ عَلَيَّ دِرْهَمٍ فَأَعْطَاهُ رَجُلٌ دِرْهَمَيْنِ فَبَاعَهُمَا مِنْهُ.

"That Rasulullah Sallallahu 'alaihi wasallam was selling hilsan (a type of carpet or cloth placed on the back of an animal) or saddle, he said: who wants to buy this item? Someone answered: I bought it for one dirham then Rasulullah said offer again: who who wanted to buy more than one dirham?

¹ Apipudin, "Konsep Jual Beli Dalam Islam (Analisis Pemikiran Abdu Al-Rahman Al-Jaziri Dalam Kitab Fiqih 'Ala Al Mudahib Al Arba'ah)," *Jurnal Islamovic* 5, no. 2 (2016).

² I Made Murdwarsa Febriyanta, "Mengenal Perjalanan Lelang, Aturannya Dan Lelang Masa

Kini," Kementerian Keuangan RI, 2020, <https://www.djkn.kemenkeu.go.id/artikel/baca/13059/Mengenal-Perjalanan-Lelang-Aturannya-dan-Lelang-Masa-Kini.html>.

³ Rachmadi Usman, *Hukum Lelang*, Tarmizi (Jakarta: Sinar Grafika, 2016).

Finally, there was someone who dared to buy with two dirhams, so the Messenger of Allah gave it to that person" (HR. Tirmidhi: 1139).

This hadith describes an incident where the Prophet Sallallahu 'alaihi wasallam sold two items, namely a hilsan (a type of carpet or cloth to cover the backs of animals) and a cup. The Prophet started the auction process by asking who wanted to buy the items. A man offered to buy it for one dirham. However, the Prophet did not immediately accept the offer. He then offered the items again to the people present, asking if anyone would make a higher offer than one dirham. After a while, another man made an offer of two dirhams. Rasulullah then sold these items to the person who gave a higher offer, namely two dirhams.

From this hadith, we can learn several important lessons regarding auction practices in Islam:

1. Transparency and Openness: The Prophet demonstrated the importance of transparency by offering goods openly to all present, providing an equal opportunity to bid.
2. Fairness in Price: By offering goods again after the initial bid, Rasulullah ensured that the goods were sold at a fair price and in line with market value, that is, the highest bid that could be achieved.
3. Principles of Healthy Competition: The auction process carried out by Rasulullah reflects the principles of healthy competition where auction participants have the same opportunity to compete and provide the best offer.
4. Benefits to Sellers and Buyers: Auctions help reach agreements that are beneficial to both parties—the seller gets the best price and the buyer gets the desired item at a fair price.

This hadith confirms that the auction mechanism has been known and practiced since the time of the Prophet Sallallahu 'alaihi

wasallam, and shows that these principles remain relevant and can be applied in the modern context to ensure fair and transparent transactions.

Currently, auctions, especially in sales and purchase contracts and ijarah (rental), are experiencing rapid development. This auction does not only take place in the city center but also spreads throughout the countryside. Various studies were conducted to examine this auction mechanism with varying themes and results.

One example is the ijarah (rental) agreement for village treasury land which was carried out through an auction process in Leran Kulon village, Palang subdistrict, Tuban district, East Java. This auction process is carried out every two years by inviting local farmers. This auction aims to have a positive impact on the village and farmers. By renting land through auction, farmers can have land use rights without having to buy at very high prices. This also helps farmers not only become farm laborers but also have land to work on themselves.

However, several things caused irregularities in the implementation of this auction. Even though there are quite a lot of people interested in renting land through auctions and rental prices often increase every two years, those who succeed in getting land to rent are usually the same people. This situation raises questions regarding the honesty and openness of the auction process. There are concerns that this auction process may not run naturally, but rather there are certain games or manipulations aimed at winning certain parties repeatedly.

Some important points to note regarding this issue:

1. Auction Process Transparency: There needs to be transparency in the entire auction process, starting from announcements, and participant registration, to price offers. This is to ensure that all

- participants have the same opportunities.
2. Fairness and Honesty: There must be a strict monitoring mechanism to ensure that the auction runs honestly and fairly, without any cheating or manipulation that harms other participants.
 3. Community Participation and Involvement: The community, especially local farmers, must be involved in the auction process to ensure that the auction truly benefits them.
 4. Evaluation and Assessment: Every time an auction is completed, an evaluation and assessment needs to be carried out to identify potential problems and find solutions so that the next auction can run better⁴.

By ensuring these aspects, village treasury land auctions can provide maximum benefits for villages and farmers, as well as ensure that the process is fair and transparent for all parties involved.

Some previous research relevant to this theme is as follows:

1. Research on Legal Protection of Third Parties as Buyers in Auctions of Confiscated Goods which is the Object of Fiduciary Guarantee by Nurliani. This research focuses on legal protection for third parties who purchase confiscated goods through auction. This study highlights the legal aspects of buying and selling in the context of confiscated goods auctions.
2. Analysis of Multiservice Ijarah Contract Financing at KSPPS BMT An-Najah Wiradesa

Pekalongan by Bani Idris Hidayanto. This research discusses ijarah contracts but the main focus is on financing analysis, not on the auction aspect.

3. "Akad Ba'i al-Muzayadah fil al-Fikh wal-Qonun, Dirosah Muqoronah" by Walid Salim Shalih Abdullah. This research discusses the comparison between Islamic jurisprudence law and civil law in auction buying and selling. The main focus is comparative law, not rental by auction.
4. Determining the Price of Auction Objects in the Execution of Mortgage Rights Seen from the Protection of the Debtor's Interests by Ahmad Rizki El Fasti. This research examines how the price of auction objects is determined in the execution of mortgage rights, with a focus on protecting debtor interests and court decisions.
5. 'Uqud al-Bai' bil Mazad I-'Alany Abrol Internait by Risyah Hamdan Muroyhil as-Syamri. This research discusses buying and selling contracts using an open auction system via the Internet.

This research aims to understand the practice and analysis of village treasury land rentals through the auction process in Leran Kulon Village, Palang District, Tuban Regency, from the perspective of Sharia Economic Law. The benefit of this research is to explain the Sharia rules relating to the village treasury land rental system. This research needs to be carried out in-depth to reveal the nature of renting village treasury land through auctions so that it can be seen whether the contract system is run by the principles of Sharia

⁴ Imam Jauhari S Mantayborbir, *Hukum Lelang Negara Indonesia* (Jakarta: Pustaka Jaya Press, 2003).

Economic Law or not. This research aims to:

1. Examining village treasury land auction practices in Leran Kulon Village, Palang District, Tuban Regency.
2. Analyze the auction process from the perspective of Sharia Economic Law, The expected benefits of this research include:
 - a. Provide a clearer understanding of the village treasury land auction system and how this affects the welfare of farmers and village communities.
 - b. Assess whether the auction process is by the principles of Sharia Economic Law, which include transparency, fairness, and benefits for all parties involved.

To achieve this goal, this research will examine various aspects of the auction process, including implementation procedures, public participation, and the final results of the auction. This research will also examine whether there is potential for manipulation or fraud in the auction process, and how this affects fairness and benefits for auction participants, especially local farmers.

B. RESEARCH METHODS

This research uses a descriptive qualitative approach, which is also known as an interpretive approach because the research results are very dependent on data found in the field. Suharsimi explained that descriptive qualitative research is research

that is intended to collect information based on existing symptoms and conditions that occurred when the research was conducted. This approach only describes situations and events, not looking for or clarifying relationships, testing hypotheses, or making predictions.⁵

According to Nasution, in research, data analysis begins with formulating and explaining the problem. This data analysis becomes a guide that continues to be used throughout the research until the results of the field studies obtained are written down⁶. Then, the results of the field study were harmonized with the fatwa of the DSN (National Sharia Council) of the Indonesian Ulema Council and International Fatwa Institutions such as the OIC (Organization of Islamic Cooperation) da'wah division. This approach is based on syar'i propositions and their rules in establishing law, in line with the principles of Ushul Fiqh which say:

الحكم عن الشيء فرع عن تصوره

The law about something is a branch (fruit) of the picture of the existing problem⁷

The object of this research focuses on the rental of village treasury land through an auction process in Leran Kulon Village, Palang District, Tuban Regency. Data sources consist of two types, namely primary and secondary. Primary data sources include interviews with village officials and the village treasury land rental committee through an auction process, farmers who won the land rental, as well as documentation related to the research object⁸. Meanwhile, secondary data sources include main jurisprudence reference books, both classical and contemporary, fatwas from the

⁵ Suharsimi, *Prosedur Penelitian Suatu Pendekatan* (Jakarta: Rineka Cipta, 2002).

⁶ Nasution, *Metode Research Penelitian Ilmiah* (Jakarta: PT Bumi Aksara, 2011).

⁷ Aljamy Muhamad, *Al-Hukmu 'An-Syai 'i Far 'un 'An-Tashowwurihi*, 1 ed (Cairo: Darul Minhaj, 2004).

⁸ John W Cresswel, *Research Design, Pendekatan Kualitatif, Kuantitatif, Dan Mixed*. (Yogyakarta: Pustaka Pelajar, 2016).

Indonesian Ulema Council and International Fatwa Institutions such as the OIC relating to the *ijarah* contract through the auction process, as well as research that has been carried out previously⁹. The completeness of this research data requires the type of data used by the researcher in the form of selected informants to be able to provide information about the situation and conditions of the research background¹⁰. In this research, several informants were selected to obtain data related to the location and object of research as well as data regarding the auction of rice fields belonging to Leran Kulon village.

C. RESULTS AND DISCUSSION

Based on research conducted related to Sharia Economic Law analysis of Village Cash Land Rental practices using the Auction system in Leran Kulon Village, Palang District, Tuban Regency. Lolyta in her research said that the important thing to pay attention to when renting land is its validity¹¹

Sharia Analysis in Terms of Valid Land Rental Requirements

In Sharia principles, a contract is said to be valid or not depending on the terms and conditions, if it is fulfilled then it is said to be authentic (legitimate). The scholars divide the contract from a legal perspective into two:

a. Sahih

A valid contract is a contract that meets the requirements, has no obstacles, and has an impact. A rental is said to be valid if there is an effect of the contract, namely the obligation to hand over the rental

item and the right for the tenant to use the rental item. A sale and purchase is said to be valid if there is an effect of the contract, namely the transfer of ownership rights from the seller to the buyer.

b. Fasid (Damaged)

A false contract is a contract that does not meet the requirements or there is something that prevents the validity of the contract so that the contract has no effect or impact. When a sale and purchase agreement is declared *fasid*, it means that there is no effect of transferring ownership rights from the seller to the buyer. Likewise, when a rental agreement is declared *fasid*, it means that there is no transfer of rights to the benefits of the goods from the party renting it to the lessee. In practice, renting village treasury land by auction in Leran Kulon Village meets the legal requirements, namely:

⁹ Sugiyono, *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D* (Bandung: Alfabeta, 2018).

¹⁰ Jozef Raco, *Metode Penelitian Kualitatif: Jenis, Karakteristik Dan Keunggulannya*, ed. Conny R Semiawan (Jakarta: Grasindo, 2018), <https://doi.org/10.31219/osf.io/mfzuj>.

¹¹ Lolyta, "Sewa Menyewa Tanah Menurut Ibnu Hazim Dalam Perspektif Fiqih Muamalah," *Jurnal Hukum Islam* 14, no. 1 (2014).

1. Aqid (Mu'ajjir): The party that rents out, namely the village represented by the chairman of the committee, namely the village secretary witnessed by another committee, who can also be called the aqid of the first party, and the musta'jir (lessee), namely the farmer who wins the auction.
2. Shighah (Ijab Qabul): Agreement between mu'ajjir and musta'jir.
3. Ma'qud 'Alaihi (Items for Rent): Village treasury land.

From this, the researcher concluded that the Leran Kulon Village treasury land rental agreement in terms of its legal requirements was authentic (legitimate). This is in line with the National Sharia Council Fatwa No:09/DSN-MUI/IV/2000 which decides on the fatwa regarding ijarah financing and states the main basis for the validity of ijarah as follows:

1. Shighah in Rentals: Consent between the renter and the lessee.
2. Party carrying out the Ijarah Agreement: The party renting, the service provider, and the lessee or party receiving the service.
3. Object of the Ijarah Agreement.

Sharia Analysis in Terms of Shighat Akad

According to sharia principles, a contract must have an agreement, because this is a condition for the validity of the contract. Most Islamic legal experts say

that there are two types of contract agreement, namely verbal ijab-qabul and al-Muathoh (ijab-qabul by the act of handing over to each other without being expressed verbally), which is important to show the willingness of both parties, as quoted by Ibnu Rusd¹². However, some Islamic legal experts break down the contract agreement into four forms:

1. Shighat the ijab qobul agreement verbally.
2. Al-Mu'athoh (handing each other without saying shighat).
3. Shighat the qobul agreement with writing.
4. Shighat the contract through gestures.

Wahbah Zuhaili explains that the law of making a contract with a sign has two conditions¹³:

1. For people who can speak, it is not enough for them to sign a contract, there must be an oral or written expression.
2. For people who cannot speak, such as those who are mute or whose speech is imprisoned so they are not allowed to speak, the contract can be made in writing.

The contract agreement in writing between two people must meet the following requirements:

1. Mustabinah (writing must be legible).
2. Marsumah (the writing must be clear where it comes from and who it is addressed to).
3. Approval from the seller or renter of the goods offered at the contract assembly (i.e. when reading the writing).¹⁴

¹² Muhammad al-Wa'ily, "Bugyatul Muqtashid syarah Bidayatul Mujtahid Ibnu Rusd," in 14 (Beirut: Dar Ibnu Hazm, 2019), hal. 7135.

¹³ Wahbah. Az-Zuhaili, *Tafsir Al-Munir (Aqidah, Syari'ah, Manhaj)* (Jakarta: Gema Insani, 2016).

¹⁴ Sulaiman, *al-Qowaid al-Fiqhiyyah al-Muta'alliqoh bil-Buyu'*, 1 ed. (Jazair: Dar al-Mirotos an-Nabawi, 2015), hal. 95.

In practice, rental contracts through auctions on cash land in Leran Kulon Village, Palang, Tuban do not come out of these contracts, namely muathoh (physical or non-verbal qobul consent) which is confirmed by a note¹⁵

From this the researcher concludes that the Ijarah agreement on the treasury land of Leran Kulon Village is valid, because the non-verbal Ijab Qabul system is the opinion of the Jumhur Ulama, even some fuqaha say that there has been an Ijma' Ulama regarding the permissibility of this method, and this is in line with the DSN fatwa "The MUI in its study regarding Ijarah financing stated that: Shighat Ijarah is an Ijab qabul in the form of a statement from the Muajjir and Musta'jir, either verbally (directly or in writing) or in other forms (nonverbal)." (National Sharia Council fatwa no:09/DSN-MUI/IV/2000 M.)

Sharia Analysis from the Aqid Side (Renters and Tenants)

Among the conditions for ijarah (rental) is mu'ajjir, namely that both parties make the ijarah contract. However, not everyone is allowed to be an 'aqid (contract actor). Those permitted are those who meet the following conditions:

1. Aqid is the owner of the goods or a person who obtains permission such as a representative.
2. The person who performs the contract is a person who has Ahliyyah (a person who has the right to enter into a contract, not a person who is prohibited from entering into a contract). They are:

- a. Free people (not slaves).
- b. Mukallaf (not a madman and not a child).
- c. Rasyid (careful, not a safih or a fool).

If in a contract the actor is a person who fulfills the above conditions, then in this case no dispute will be permitted¹⁶. In the ijarah contract at auction in Leran Kulon Palang Tuban Village, the above conditions have been fulfilled:

1. The first aqid (mu'ajjir), namely the auction rental committee chaired by the Village Secretary, Mr. Firman Aqif, ST., and the auction committee. In this case, the committee is not the owner but they are representatives in the auction appointed by the Village Head, so they occupy the position of the representative party.
2. The second aqid (musta'jir), namely the tenant, in this case, Mr. Marwi, and the other auction winners.

Performers of ijarah contracts, both renters and lessees, are people who have skills and abilities and fulfill the characteristics of a mu'ajjir or musta'jir, such as independence, mukallaf (of sound mind and tamyiz), and Rashid (not safih who are prohibited from carrying out the contract). From this, the researcher can conclude that the ijarah contract from the side of the aqidan (contract actor) is valid. This is in line with the DSN MUI fatwa No:112/DSN-MUI/IV/2017, although with slightly different expressions.

¹⁵ Wawancara dengan Kasun Babrik, salah satu panitia Ijarah melalui Lelang di desa Leran Kulon, Palang, Tuban tgl. 31 Juli 2022.

¹⁶ Muhammad, *Bugyatul Muqtashid syarah Bidayatul Mujtahid Ibnu Rusd*, (Bairut Libanon: Dar Ibnu Hazm 1440 H-2019 M). cet. 1, jilid 14, hal.7152.

Sharia Analysis of Makqud Alaihi (Rental Object)

In muamalah sharia principles, an item being rented must be clear, useful, and not something haram. The goods must be delivered on time and must not be tied to other people, such as being rented or mortgaged to someone else.

In the ijarah contract for village treasury land held in Leran Kulon Palang Tuban, the goods being leased meet the above conditions, namely: the goods are clear, namely in the form of village treasury land. The position of the land is known to the renting party and the lessee, and the size of the land is also clear. Rental items can be handed over for use on time, because every two years the lease expires with the previous tenant. The payment time is clear, namely for the first payment, the auction winner must pay a down payment (DP) or down payment of 25% after being declared the winner of the auction. The next three months must pay 50% and the following three months must be paid in full. This means that the payment period from the time you are registered as the auction winner is six months. If three months after being recorded as the winner of the auction it turns out that the auctioneer has not paid 50%, then the auction committee will consider it canceled and will again hold an auction for the land to the public, while the previous 25% deposit will be forfeited. The goods being rented are goods that are halal for use, namely land from the village treasury.

From this, the researcher can conclude that the auction rental agreement in Leran Kulon Village in terms of ma'qud alaihi (items being rented) is valid and by sharia. This is in line with the fatwa of the MUI National Sharia Council when explaining the provisions of the object of ijarah in more detail:

1. Ma'qud alaihi (object of ijarah) must be useful, both goods and services.
2. The benefits of goods or services must be able to be assessed and can be implemented in the contract.
3. The benefits of goods or services must be permissible (not something that is prohibited).
4. The ability to fulfill benefits must be clear and by sharia rules.
5. The benefits must be known specifically, to eliminate ignorance (ignorance) which can give rise to disputes.
6. Benefit specifications must be clearly stated, including the period, and can be recognized by physical specifications or identification.
7. Rent or wages are something that the customer promises and pays to LKS as payment of benefits. Something that can be used as a price in a sale and purchase agreement can also be used as rent or wages in an ijarah contract.
8. Payment of rent or wages may be in the form of services (other benefits) of the same type as the ma'qud alaihi (object of the contract).
9. Flexibility in determining ijarah (rent) or ujarah (wages) can be realized in terms of time, place, and distance¹⁷

Sharia Analysis from the Village Cash Land Rental Payment System Side through the Auction System

One of the legal conditions in an Ijarah contract is saman (wages) which is one part of ma'qud 'alaihi because if the Ijarah contract

¹⁷ Fatwa Dewan syariah Nasional No:09/DSN-MUI/IV/2000.

is viewed from various types of contracts, it includes muawwadhot (commercial) contracts which require goods or rental wages. In practice, the Ijarah auction on the village treasury land has met the requirements, with the explanation given by the village secretary, Mr. Firman, ST., at the house of the Head of Banjaranyar Hamlet, Mr. Rusman, who was accompanied by the Head of Babrik Hamlet, Mr. Tomo, that the payment when the winner of the auction has been announced is 25%. then the second term, namely the next 3 months, the winner of the auction must pay 50%, and the third term, namely the next 6 months from when he was recorded as the auction winner, must be paid in full, but if after 3 months he does not pay 50% then the land will be auctioned off to the Leran Kulon community, while 25% down payment is considered forfeited.

From this, the researcher can conclude that the practice of Ijarah on cash land in Leran Kulon Village has clarity regarding payment issues, and payment using a down payment (DP) or down payment system is by the rules of Sharia Economic Law, however, there are still issues that are debated by the Fuqoha', namely a deposit that is not returned when the tenant is unable to pay the rent is known in fiqh terms as bay'ul Urbun:

- 1) First opinion: no, this is the opinion of most madzahib Ulama, such as Hanafiyyah, Malikiyyah, and Syafi'iyah.
- 2) Second opinion: the law is fine.

The permissible opinion is the opinion chosen by ulama from the Hambali Madzhab and supported by Mujamma al-Fiqhi Al-Islam, Lajnah Daimah, and others. As explained in mauqi' ad-Durar as-Saniyyah, Musyrif Abdul Qadir Alawi as-saqqaf. From this, the researcher can conclude that the village cash land rental payment system in Leran Kulon is generally valid, but there is a point that is debated by Islamic law scholars, namely that the down payment is not returned if the tenant cannot pay off at the agreed time,

according to Madzhab scholars. allows, as does the Hambali Madzhab but according to Ulama 3 other Madzhab does not allow, meaning that the forfeited advance payment agreement is not in accordance with Sharia Economic Law, this opinion is determined by the fatwa of the National Sharia Council of the Indonesian Ulema Council but there is ta'wid (compensation), if it is nominal the down payment is smaller than the loss, so you have to ask the customer for additional money, but if the amount of the down payment is greater than the loss, it will be returned to the customer, as reviewed in the Fatwa on Down Payments in Murabahah "no: 13/DSN-MUI/IX/2000" However, even though it is written in the Ijarah agreement for the auction of the cash land of Leran Kulon Village, that the down payment is forfeited if it cannot be paid within 3 months, in reality this has never happened because the village has tolerated delays of up to 1 year, as per thank you to the residents themselves, as conveyed by Mr. Sekdes as chairman of the auction committee and Mr. Tomo, one of the auction committee members and also Head of Babrik.

Sharia Analysis of Land Lease Agreements Using an Auction System

In Islamic law, two contracts often use an auction system in marketing, one of which is ijarah. Scholars have different views on the issue of auctions, but the majority of scholars allow auctions. Even Ibnu Abdil Bar from the Maliki Madzhab, Ibnu Quddamah from the Hambali Madzhab, and Imam Syafii are of the view that this has become an agreement between the ulama, as long as the auction conditions are met. One of these conditions is that there should be no najas (people entering the auction without the intention of renting or buying, but only to express surprise at the goods to put the auction participants in harm's way).

In practice, the Leran Kulon Village treasury land auction has fulfilled these

requirements and there have been no najas, except in the past few years. According to information from the auction winner who has been around for 22 years, someone once bid with a high bid to trick the auctioneers. However, in recent years, especially when research was conducted, there was no longer anything except competition between bidders who had been registered by the committee.

From this, researchers can conclude that the Leran Kulon Village cash land auction rental system is legal, and this is in line with the OIC fatwa at the second congress in Brunei Darussalam and is also in line with the MUI National Sharia Council fatwa No:110.

Analysis in Terms of Sharia Principles

According to Abd Shomad, regarding sharia principles¹⁸ has different characteristics and principles from other economic laws. The outline is as follows:

1. Principle of Recognition of Ownership Rights

Sharia economic law recognizes collective ownership rights, state ownership, and bait mal, as well as private property rights. In the practice of ijarah by auction on treasury land in Leran Kulon Village, there is a principle of recognizing rights to land leased by auction. This land belongs to the state and is under the management of Leran Kulon Village. When the land is leased to individuals from the Leran Kulon community, the community that wins the auction has the right to benefit through ijarah for the time agreed between the auction committee and the auction winner.

2. The Principle of Freedom Bound by Wise Sharia Rules

Sharia economic law prioritizes freedom that is bound by wise sharia rules. In the practice of ijarah by auction of treasury land in Leran Kulon Village, there is an element of freedom without coercion. Those who want to take part in the auction rental are welcome to register, and for those who don't want to, that's okay. After obtaining land at auction, farmers are free to run their farms without any coercion in managing it.

3. The principle of Takaful (Mutual Cooperation and Mutual Help) among Muslims

Sharia economic law also emphasizes the principle of takaful¹⁹, namely cooperation and mutual assistance among Muslims. In the practice of ijarah by auction on the treasury land of Leran Kulon Village, the principle of takaful is reflected in the opening of opportunities for anyone who wants to join in ijarah by auction. The village works together with the residents, the village gets cash or income for the benefit of the village, and farmers can grow crops even though they don't have their land. This is felt by farmers, such as Mr Marwi, who has won auctions every two years for 22 years and earned an average profit of 30%, except during times of crop failure such as when there is high rainfall during the peanut planting season.

4. Kamal and Syumul Principles (Perfect and Plenary)

In practice, ijarah²⁰ at auction displays elements of Islamic

¹⁸ Abd Shomad, *Hukum Islam: Penormaan Prinsip Syariah Dalam Hukum Islam* (Jakarta: Kencana, 2012).

¹⁹ Bank Negara Malaysia (BNM)., "Takaful Operation Work" (2019).

²⁰ Warsidi. Saidi, AAR., "Implementasi Fatwa-Fatwa DSN-MUI Pada Pembiayaan Dana Talangan Haji (Studi Kasus Pada KSPPS BTM Mulia Babat-Lamongan)," *Justisia Ekonomika: Magister Hukum Ekonomi Syariah* 4, no. 1 (2020),

perfection. Islam not only regulates the relationship between servants and their God but also regulates the relationship between servants and servants, especially in muamalah related to wealth. Islam outlines that everyone who has rights will get their rights, including in the ijarah by auction on the treasury land of Leran Kulon Village, where the rights and obligations of each party are recognized, both the village party represented by the auction committee and the rights of farmers or other parties who win the ijarah in person. auction of the village treasury land.

5. Ta'abudy Principle (Containing the Value of Worship)

In practice, ijarah by auction of treasury land in Leran Kulon Village is not only about material calculations but also contains elements of ta'abbudy. When the auctioneer has not been able to pay within 3 months, even though the down payment has been forfeited, the committee still gives time, according to what is ordered in the Al-Quran, Surah Al-Baqarah: 280.

6. Principle of Combining the Benefits of the World and the Hereafter

In practice, ijarah by auctioning treasury land in Leran Kulon Village is used as a forum for improving the community's economy and utilizing the rental proceeds for the benefit of the village, as well as to support education in the village by providing donations for the needs of TPQ, SD, and MI in Leran Kulon Village.

7. Muroqobah Principle (Supervision)

In practice, the ijarah of village treasury land through auction in Leran

Kulon Village has realized the principle of muroqobah, where this activity is under the direct supervision of the Village Head and the BPD (Village Consultative Body). This principle is very important to maintain auction activities and secure finances from unwanted things, especially if it is based on the principle of muroqobatullah (feeling supervised by Allah Ta'ala). Islamic Economic Law does not use little or much as a benchmark, but everything is within its limits. In practice, ijarah on village treasury land by auction in Leran Kulon respects the principle of conditionality. This can be seen in rental prices which rise and fall according to conditions, especially during the COVID-19 pandemic which resulted in a weakening of the economy and decreased interest in auctions, so rental prices also fell.

8. Principle of Balance between Individual and Congregation (Collective) Benefits

In practice, the ijarah agreement by auction on village treasury land enforces a balance between individual benefit and collective benefit. The auction was announced to the entire Leran Kulon Village community, not just village officials or people close to the committee. This shows a commitment to upholding balance and the benefit of society at large, not just the interests of certain groups. From this presentation, it can be concluded that in general, the ijarah agreement by auction on the treasury land of Leran Kulon Village is by Maqasid and Sharia Economic Principles²¹.

D. CONCLUSION

Based on the results of the research and description above, the practice of ijarah by auction of treasury land in Leran Kulon Village can be concluded as follows: The auction committee invited the local village community to participate and recorded the names of participants who officially took part in ijarah by auction. The committee sets the lowest price limit and the auction winner is determined based on the highest bid. After the winner is determined, an agreement of acceptance is carried out between the committee and the auction winner. The auction winner must pay a down payment of 25%, with a further payment of 50% in 3 months and the remaining 25% in the next 3 months, so that the total payment is completed within 6 months. If the winning bidder fails to pay 50% within the specified time, the down payment is considered forfeited, although in practice the village provides leeway if there is a delay in payment due to less-than-optimal agricultural results. Although this process is generally by the principles of Sharia Economic Law, there is a dispute among ulama regarding the law of forfeiting the down payment if the winning bidder

fails to pay 50% within 3 months. According to the Hambali school of thought, this is permissible, while the other three schools of jurisprudence do not allow it. Fatwa of the National Sharia Council of the Indonesian Ulema Council No: 13/DSN-MUI/IX/2000 states that the down payment is not forfeited, but the auction winner who fails to pay 50% is subject to Ta'wid (compensation) according to the size of the loss incurred.

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