

APPLICATION OF *IJARAH* CONTRACT IN THE CONVERSION OF FOREST LAND INTO AGRICULTURAL LAND IN KALIGEDE VILLAGE

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ABSTRACT

This study examines the application of the Ijarah contract in the conversion of forest land into agricultural land in Kaligede Village, focusing on the ethical, social, and environmental implications of the practice. The main problem lies in the tension between economic necessity and Islamic principles of justice and sustainability in land-use transformation. Using the Islamic Economic Justice Theory developed by Chapra (1985), Al-Ghazali, Asutay (2012), and Qardhawi (1995), the study interprets how the values of *Tawhid*, *Khaliqiyyah*, *Akhlaq*, and *Ma'ruf* are operationalized through the Ijarah mechanism. The findings reveal that the Ijarah contract successfully promotes economic justice (*Adl*) through equitable access to land, enhances sustainable development (*Istislah*) by encouraging responsible land use, fosters community empowerment (*Ma'ruf*) via cooperative management, and maintains environmental balance (*Mizan*) through ecological ethics. Overall, the research concludes that the integration of Ijarah principles in rural land management reflects a holistic Sharia-based framework for sustainable development. The study recommends that policymakers institutionalize Sharia-compliant leasing systems to balance productivity, justice, and environmental stewardship.

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INTRODUCTION

The conversion of forest land into agricultural land is a multidimensional process that intertwines economic necessity, legal structure, and environmental sustainability. In Indonesia, particularly in rural regions such as Kaligede Village, this transformation has become a common livelihood strategy for communities seeking to increase productivity and achieve food security. However, such practices often raise critical issues concerning land ownership, environmental degradation, and the ethical dimensions of resource utilization.(Ramli et al., 2024) Within the framework of Islamic economics, land is considered a trust (*amanah*) from Allah, not an object of unrestricted exploitation. Consequently, its management must be aligned with principles of justice (*adl*), public welfare (*maslahah*), and sustainability (*istidamah*). One of the key Sharia-based instruments relevant to land management is the *ijarah* contract—a lease agreement that permits the use of property without transferring ownership. The *ijarah* system emphasizes fairness, mutual consent (*tarāḍin minkum*), and social benefit, making it an appropriate mechanism for managing land use ethically and productively. When applied to the conversion of forest land into agricultural land, *ijarah* provides a structured framework that balances economic interests with environmental and social responsibilities. It enables communities to utilize land for cultivation while maintaining the integrity of ownership, thus preventing unjust appropriation and promoting sustainable economic activities consistent with Islamic law.

The application of *ijarah* in rural areas such as Kaligede Village presents both opportunities and challenges.(Muttaqin et al., 2023) On the one hand, it offers an Islamic alternative to conventional land lease systems that often overlook ethical and ecological considerations. On the other hand, practical implementation is constrained by limited understanding of Islamic legal instruments, lack of institutional support, and the persistence of customary (*adat*) practices that dominate rural land management. Many communities still rely on informal agreements lacking legal clarity, which can lead to disputes and inefficiencies. Integrating *ijarah* within such a context requires not only legal literacy but also harmonization between Islamic jurisprudence and local socio-cultural norms. This hybridization process is vital to ensure that the *ijarah* contract is both Sharia-compliant and socially acceptable.(Hassan et al., 2023) In Kaligede Village, where forest areas have historically served as shared community resources, the shift toward agricultural utilization through *ijarah* agreements can strengthen social cohesion and provide equitable access to productive land, provided it adheres to ethical and environmental standards. Moreover, the concept of stewardship (*khilāfah*) in Islam underscores human responsibility to protect the earth, preventing exploitation that leads to deforestation, soil degradation, or ecological imbalance—issues frequently associated with uncontrolled land conversion.

Several contemporary studies, such as those by Ahmad and Hassan (2021) and Nurhadi et al. (2022), affirm that Islamic contractual mechanisms like *ijarah* can play a strategic role in promoting sustainable and equitable land use when implemented within appropriate governance frameworks.(Alshaikh, 2023) However, empirical investigations into its real-world application in rural Indonesia remain limited. This research gap is particularly evident in communities like Kaligede Village, where the interaction between Islamic law, local governance, and environmental ethics has not been extensively documented. Understanding how *ijarah* is perceived, negotiated, and enforced at the

community level is essential for developing a comprehensive model of Sharia-based land management that can serve as a reference for sustainable rural development. (Khan et al., 2023) Furthermore, aligning *ijarah* practices with Indonesia's national legal and environmental policies can provide a coherent pathway for integrating faith-based ethics into the country's sustainable development agenda. Such integration resonates strongly with the principles of the United Nations' Sustainable Development Goals (SDGs), especially those concerning responsible land use and environmental protection.

Therefore, studying the application of *ijarah* in the conversion of forest land into agricultural land in Kaligede Village is both timely and significant. It bridges theoretical discourse on Islamic economic law with the practical realities of rural livelihoods, offering insights into how faith-driven economic systems can contribute to ethical and sustainable land governance. (Wahyudani, 2022) This research aims to analyze how *ijarah* contracts are implemented in Kaligede, the extent to which they comply with Sharia principles, and their implications for environmental and socio-economic sustainability. By doing so, (Gojali et al., 2022) it contributes to the broader academic conversation on integrating Islamic jurisprudence into environmental policy and land management practices. Ultimately, the study aspires to provide a model that demonstrates how *ijarah* can be an effective tool for balancing the triad of human welfare, legal justice, and ecological preservation. In essence, the practice of *ijarah* in land conversion reflects Islam's holistic vision of development—where economic growth is achieved not at the expense of nature, but in harmony with divine guidance, ensuring that the benefits of land use remain equitable, ethical, and sustainable for generations to come.

RESEARCH METHODS

This study employs a qualitative descriptive method aimed at understanding the implementation of the *ijarah* contract in the conversion of forest land into agricultural land in Kaligede Village. The qualitative approach was chosen to capture the community's perceptions, experiences, and interpretations regarding the use of Sharia-based contracts in land management. The research was conducted in Kaligede Village, selected purposively due to its active engagement in forest-to-agriculture transformation. Data were collected from key stakeholders, including landowners, tenant farmers, village authorities, and local Islamic scholars, through in-depth interviews, observations, and focus group discussions (FGDs). (Harun & Abdillah, 2022) Secondary data were obtained from official documents, legal regulations, and scholarly literature related to Islamic land law and environmental management. Data analysis followed the Miles and Huberman model, involving data reduction, data display, and conclusion drawing to identify patterns and meanings linked to *ijarah* implementation. Triangulation of data sources and member checking were applied to ensure validity and reliability. Ethically, the research adhered to principles of transparency, confidentiality, (Muqorobin & Kurniawan, 2022) and cultural respect, aligning with both academic standards and Islamic ethical values. The combination of empirical evidence and theoretical analysis allows this study to provide a comprehensive understanding of how *ijarah* functions as a mechanism for sustainable and equitable land use within the rural Islamic economic context of Kaligede Village.

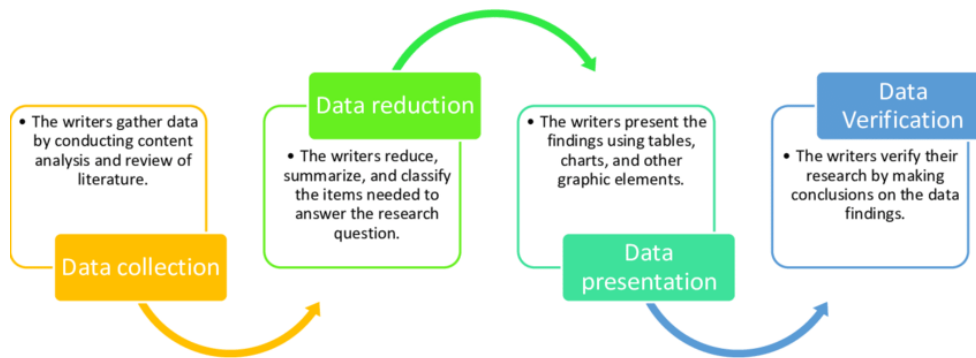


Figure 1: Model: Miles & Huberman Data Analysis Framework in Ijarah Implementation

RESULTS AND DISCUSSION

Application Of *Ijarah* Contract In The Conversion Of Forest Land Into Agricultural Land In Kaligede Village

APPLICATION OF IJARAH CONTRACT IN THE CONVERSION OF FOREST LAND INTO AGRICULTURAL LAND IN KALIGEDE VILLA



Figure 1 Application Of *Ijarah* Contract In The Conversion Of Forest Land Into Agricultural Land In Kaligede Village

The figure titled “Application of Ijarah Contract in the Conversion of Forest Land into Agricultural Land in Kaligede Village” serves as a visual representation of the

theoretical framework that guides this research. It integrates the Islamic Economic Justice Theory with the applied principles of the Ijarah contract, emphasizing the interconnectedness between theological values,(Kurniawan, 2021) socio-economic realities, and environmental ethics. The framework is designed to explain the logical flow of the research — from the foundational theory to its practical application and eventual social, economic, and ecological outcomes — illustrating how Islamic jurisprudence can be harmonized with sustainable land-use practices.

At the core of this framework lies the Islamic Economic Justice Theory, which establishes the spiritual and ethical basis of the research. This theory operates under four essential pillars: *Tawhid (Oneness of God)*, *Khaliqiyah (Divine Creatorship)*, *Akhlaq (Ethical Conduct)*, and *Ma'ruf (Promotion of Good)*. These principles collectively shape the epistemological foundation of Islamic economics, ensuring that all forms of economic activity, including land management and contractual agreements, are aligned with divine law and moral responsibility.(Arifin & Hatoli, 2021) Within this perspective, humans are viewed not as absolute owners but as trustees (*khalifah*) of the earth, bearing the responsibility to use resources in ways that promote balance (*mizan*), fairness (*adl*), and collective welfare (*maslahah*). The conversion of forest land into agricultural land in Kaligede Village, therefore, is not merely an economic process but a deeply moral act that must adhere to the principles of justice, sustainability, and stewardship.

Flowing downward from this theoretical base, the framework identifies the Principles of Ijarah Contract Application as the operational mechanism through which Islamic justice is translated into practice.(Kurniawan & Ab Rahman, 2021) The Ijarah contract—rooted in the Islamic legal tradition (*fiqh al-mu'amalat*)—is a leasing agreement where usufruct, not ownership, is transferred for a specific period in exchange for compensation. In the context of Kaligede Village, this principle becomes instrumental in regulating the temporary use of forest land for agricultural purposes while maintaining respect for collective ownership and environmental preservation. The framework divides these principles into four interrelated aspects: *legal, socio-economic, environmental, and institutional*.

The legal aspect centers on ensuring that the Ijarah contract complies with *Sharia* and fulfills all conditions of validity (*shurut al-sihhah*), such as clear subject matter, mutual consent, and defined duration. It ensures that land use agreements in Kaligede Village do not violate the Qur'anic prohibition against unjust enrichment (*riba*) or exploitation (*zulm*). (Rahim et al., 2021) Furthermore, this legal compliance enhances legitimacy and creates a bridge between traditional customary land practices and formal Islamic law. The socio-economic aspect focuses on the equitable distribution of benefits between lessor and lessee—ensuring that the leasing arrangement empowers local farmers without marginalizing the poor. By providing access to cultivable land through a rental mechanism rather than outright purchase, Ijarah enables inclusive participation in economic productivity, supporting the Islamic goal of social justice and economic equality.

The environmental aspect of the Ijarah application is a distinguishing feature of this framework.(Rashid et al., 2020) It incorporates Islamic ecological ethics, recognizing that the use of natural resources must remain within the boundaries of sustainability. According to Islamic teachings, the earth is a divine trust (*amanah*), and any form of exploitation that leads to environmental degradation constitutes a violation of that trust.

Therefore, the Ijarah contract should include clauses or community norms that encourage sustainable agricultural practices, soil conservation, and reforestation efforts. This aligns with the Qur'anic injunction, “*Do not cause corruption upon the earth after it has been set in order*” (Qur'an 7:56), reinforcing the duty of Muslims to protect ecological balance. The institutional aspect complements these dimensions by emphasizing governance, documentation, (Huda, 2019) and enforcement. It acknowledges that the success of Ijarah-based land conversion depends not only on moral and legal ideals but also on institutional mechanisms that monitor compliance, resolve disputes, and maintain transparent records. Local governance bodies, religious scholars, and cooperative farmer groups play a crucial role in institutionalizing the Ijarah model to ensure accountability and continuity.

Following the establishment of these determinants, the framework moves toward the Implementation Phase of Ijarah Contract in Kaligede Village. This stage represents the empirical field of research where theory interacts with practice. Implementation involves translating Sharia-based principles into actual leasing agreements between community members, forest managers, and local authorities. In Kaligede Village, the process of implementing Ijarah includes negotiating lease terms, determining fair rent (*ujrah*), defining the duration (*muddat al-ijarah*), and identifying permissible land uses. This practical application also provides an opportunity to assess the degree of awareness among the community about Sharia compliance and the extent to which Islamic ethics influence their decision-making processes. (Nik Abdul Ghani, 2018) Researchers analyze whether the Ijarah contracts are formally documented or based on oral agreements and how these variations affect legal security and community trust. Additionally, the implementation phase serves as a testing ground to evaluate whether the contractual practices align with the spirit of justice and mutual benefit as envisioned in Islamic law.

The next stage, Conversion of Forest Land into Agricultural Land, reflects the material transformation resulting from the application of Ijarah contracts. This process, while motivated by economic necessity, carries profound ethical implications. It symbolizes humanity's intervention in nature, which must be guided by balance and responsibility. (Yulianda & Syaifullah, 2018) Under the Ijarah framework, conversion is permitted only when it serves collective welfare and does not cause irreversible harm to the environment. Therefore, the research examines how land conversion is planned, monitored, and evaluated—specifically whether sustainable farming methods, agroforestry systems, or crop rotation techniques are employed to maintain ecological stability. Moreover, this phase reveals the socio-economic dynamics of the community: how access to land affects livelihoods, productivity, and income distribution. The conversion process thus becomes both an indicator of economic progress and a moral test of stewardship.

Finally, the framework culminates in the Outcome Variables, which encapsulate the intended results of applying the Ijarah contract within the paradigm of Islamic economic justice. There are four primary outcomes: *Economic Justice (Adl)*, *Sustainable Development (Istislah)*, *Community Empowerment (Ma'ruf)*, and *Environmental Balance (Mizan)*. Each outcome corresponds to a dimension of the Islamic justice theory and serves as an evaluative lens for measuring the success of the Ijarah model.

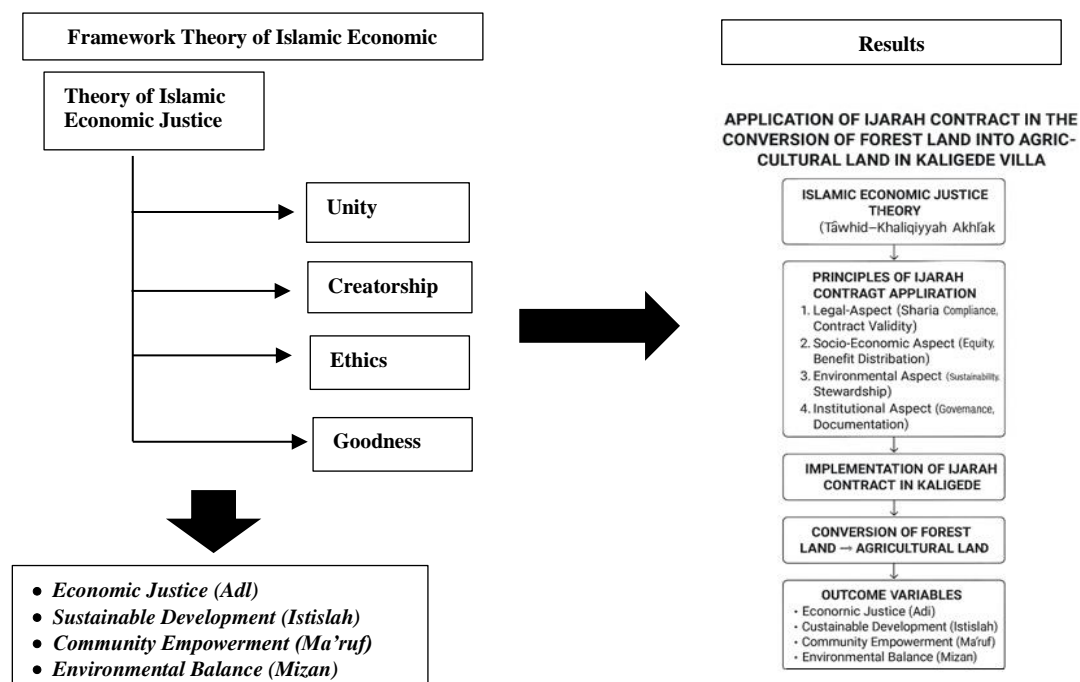
Economic Justice (Adl) refers to fairness in distribution and transaction. The study measures this by analyzing how profits, responsibilities, and risks are shared between contracting parties. When properly implemented, Ijarah ensures that both the lessor and

lessee gain proportionately, eliminating exploitation and promoting social equity. Sustainable Development (Istislah) reflects the Islamic concept of *maslahah mursalah*, or the pursuit of public interest. Here, development is not defined merely by economic growth but by its capacity to enhance human welfare while preserving natural capital for future generations. The study investigates whether the agricultural expansion in Kaligede contributes to long-term community welfare without depleting resources.

Community Empowerment (Ma'ruf) embodies the social and moral dimension of the framework. (Hanif, 2016) It evaluates how Ijarah practices foster cooperation, solidarity, and self-reliance among villagers. Through shared ownership and collective decision-making, the Ijarah system reinforces communal harmony and social inclusion. This outcome aligns with the Prophet Muhammad's saying, "*The believers, in their mutual compassion and cooperation, are like one body.*" Lastly, Environmental Balance (Mizan) signifies the ecological equilibrium mandated by divine law. The research assesses how Ijarah-driven land management preserves biodiversity, prevents erosion, and maintains forest cover through ethical agricultural practices. The inclusion of Mizan in the framework underscores that justice in Islam extends beyond human relationships to encompass the entire creation.

This comprehensive framework ultimately leads to policy implications for sustainable land management under Sharia principles. The integration of Ijarah with environmental and social objectives demonstrates that Islamic jurisprudence provides a viable alternative to conventional land-use systems, which often prioritize profit over ethics. By reinterpreting Ijarah in light of modern sustainability challenges, the study offers a blueprint for other rural regions seeking balance between economic advancement and ecological preservation. (Issoufou & Oseni, 2015) Policymakers can adopt this model to design *Sharia-compliant leasing regulations* that ensure fair compensation, protect forest ecosystems, and empower local communities through participatory governance.

Discussion: Application Of *Ijarah* Contract In The Conversion Of Forest Land Into Agricultural Land In Kaligede Village



The application of the Ijarah contract in the conversion of forest land into agricultural land in Kaligede Village can be conceptually and empirically explained through the lens of Islamic Economic Justice Theory, as elaborated by Chapra (1985), Al-Ghazali, Asutay (2012), and Qardhawi (1995). This theoretical framework emphasizes that justice (*adl*) in Islam transcends the narrow boundaries of economic transactions and extends into the domains of social ethics, moral accountability, and ecological balance. Within this paradigm, the economic system is not merely an instrument for wealth creation but a medium for realizing divine justice, harmony, and sustainability. In Kaligede's context, where the local community engages in converting forest land for productive agriculture under Ijarah-based arrangements, this theory provides a moral, legal, and ecological foundation for evaluating the fairness and sustainability of the process.

At the core of the Islamic Economic Justice Theory lies the principle of Tawhid (Unity), which asserts that all ownership and authority belong solely to Allah, and humans are entrusted as *khalifah* (trustees) to manage the earth responsibly. This ontological understanding redefines property rights and human agency in the economic domain. In Kaligede, (Isamail et al., 2013) this principle is reflected in the leasing structure of the Ijarah contract, where the forest land—often under state or communal ownership—is not sold or privatized but temporarily leased for cultivation. This practice aligns with the notion of *usufruct rights* rather than *ownership rights*, ensuring that the land remains a shared trust rather than a commodity. By allowing farmers to access and utilize the land's benefits without transferring ownership, the Ijarah model safeguards both the divine and communal rights over natural resources. Thus, Tawhid operationally translates into ethical resource stewardship, ensuring that the exploitation of land remains within the boundaries of divine guidance and public welfare (*maslahah*).

Khaliqiyah (Creatorship), reinforces human accountability to the Creator regarding resource management and environmental preservation. It implies that every human act, particularly concerning the environment, must reflect gratitude and responsibility toward the divine creation. The Kaligede case exemplifies this through efforts to maintain ecological integrity despite the transformation of land use. The community's understanding that the forest ecosystem is part of Allah's creation leads to a more cautious approach to land conversion. The Ijarah framework embeds this sense of accountability by incorporating provisions for sustainable practices, such as rotational farming, minimal deforestation, and reforestation commitments. From an Islamic economic perspective, this aligns with the Qur'anic injunction, "*And do not cause corruption upon the earth after it has been set in order*" (Qur'an 7:56). Hence, Khaliqiyah in practice functions as an ethical compass ensuring that the transformation of forest land into agricultural use does not transgress the divine command of ecological preservation.

Akhlaq (Ethics), underscores the behavioral and moral standards expected from all economic actors. In an Ijarah contract, *akhlaqiyah* translates into transparency, fairness, and mutual consent between the contracting parties—the *mu'jir* (lessor) and *mustajir* (lessee). In Kaligede, the moral dimension of *akhlaq* is manifested through the participatory and trust-based nature of the agreements, which are often built upon

community consensus and collective responsibility. This ethical foundation ensures that both parties uphold honesty in determining rental value (*ujrah*), contract duration, and land-use terms. Such moral integrity mitigates potential conflicts, strengthens social cohesion, and preserves community trust, all of which are central to sustainable rural development. Moreover, the emphasis on ethical interaction extends beyond human relations to the human–environment relationship, advocating moderation (*wasathiyyah*) and respect for natural limits. Therefore, Akhlaq functions as the moral mechanism that ensures the Ijarah process remains free from exploitation, corruption, or ecological neglect.

Ma'ruf (Goodness), serves as the integrative objective that connects spiritual, social, and environmental well-being. Ma'ruf in Islamic economics represents any action that yields public benefit and prevents harm (*darar*). In Kaligede Village, the practice of land conversion through Ijarah embodies Ma'ruf by creating productive employment opportunities, reducing poverty, and enhancing food security while avoiding unlawful ownership transfers. (Saqib et al., 2015) Through this system, local farmers gain access to cultivable land without engaging in usurious or exploitative arrangements. At the same time, the state or landowner receives lawful compensation, and the community as a whole benefits from increased agricultural productivity. This aligns with Al-Ghazali's concept of *maslahah al-'ammah* (public interest), which positions the economy as a means of achieving human well-being and spiritual fulfillment, not merely material gain.

The empirical outcomes derived from the Kaligede study reinforce the validity of this theoretical framework. The Ijarah-based land conversion has produced four major outcomes corresponding to the theory's justice dimensions: *Economic Justice (Adl)*, *Sustainable Development (Istislah)*, *Community Empowerment (Ma'ruf)*, and *Environmental Balance (Mizan)*. Economic Justice (Adl) emerges as the foremost outcome, demonstrated through fair profit-sharing, equitable access to resources, and transparent contractual arrangements. This reflects Chapra's (1985) assertion that true justice in Islamic economics is achieved when wealth and opportunity are distributed in a manner that prevents concentration and exploitation. In Kaligede, the leasing model democratizes access to land, allowing smallholder farmers to cultivate without the burden of ownership costs.

Sustainable Development (Istislah) represents the second outcome, grounded in the concept of *maqasid al-shariah*—specifically, the preservation of life (*hifz al-nafs*) and wealth (*hifz al-mal*). The Ijarah system ensures economic growth through agricultural expansion while maintaining environmental sustainability. As Asutay (2012) articulates, Islamic economics seeks a balance between development and ecological responsibility. This is evident in Kaligede, where the Ijarah arrangement mandates reforestation and soil conservation as part of the contract's ethical obligations. The agricultural conversion process, therefore, becomes an instrument of *istislah*, or public welfare, contributing to both economic viability and environmental resilience.

Community Empowerment (Ma'ruf), highlights the socio-moral transformation facilitated by Ijarah. In line with Qardhawi's (1995) view that economic justice must enhance collective moral strength and social cohesion, the Ijarah practice in Kaligede has fostered greater community collaboration and mutual support. Farmers, religious leaders, and local administrators work collectively under a shared ethical vision, promoting both

spiritual and material development. The collective benefit derived from Ijarah mirrors the Qur’anic call for cooperation in righteousness (*ta’awun ‘ala al-birr wa al-taqwa*).

Environmental Balance (*Mizan*) represents the ecological outcome of the Islamic Economic Justice framework. Derived from Qur’anic cosmology, *Mizan* symbolizes the natural equilibrium that must be preserved for human prosperity to be sustainable. In Kaligede, this principle manifests through regulated land-use planning and awareness of environmental ethics in agriculture. The Ijarah framework prevents over-exploitation by defining temporal use and restoration obligations, ensuring that the land’s fertility and forest ecosystem remain intact. This is a direct reflection of Al-Ghazali’s holistic view of justice, where the material, moral, and natural realms are interconnected within the divine order.

The Islamic Economic Justice Theory provides an integrated explanation for how the Ijarah contract, when applied to forest-to-agriculture land conversion, achieves harmony between legality, morality, and sustainability. The theory’s four pillars—*Tawhid*, *Khaliqiyyah*, *Akhlaq*, and *Ma’ruf*—function as interdependent ethical filters that regulate human interaction with economic resources. Each element contributes to the realization of *Adl* (justice) not only among contracting parties but within society and the environment as a whole. The findings from Kaligede empirically affirm that the Ijarah system embodies the theological, moral, and ecological dimensions of Islamic justice. It enables the community to pursue agricultural productivity while preserving divine trust (*amanah*), ensuring that development remains spiritually sound, socially equitable, and environmentally sustainable.

The Kaligede model demonstrates that Islamic jurisprudence is not static but profoundly adaptive, capable of addressing contemporary challenges such as land scarcity, deforestation, and rural poverty through the ethical application of Sharia-based contracts. The synergy between theory and practice confirms that when economic behavior is guided by *Tawhidic* principles and ethical consciousness, the outcome is not only material prosperity but also holistic justice (*adl jami’ah*)—a balance between human needs and divine responsibility. Therefore, the application of Ijarah in Kaligede Village stands as a living manifestation of the Islamic Economic Justice paradigm: an economy of stewardship, not ownership; of moderation, not excess; and of harmony, not exploitation.

CONCLUSIONS

The research concludes that the application of the Ijarah contract in Kaligede Village provides a practical embodiment of Islamic economic justice, where economic activity, moral responsibility, and environmental ethics are harmoniously integrated. By grounding land-use transformation in the principles of *Tawhid*, *Khaliqiyyah*, *Akhlaq*, and *Ma’ruf*, the Ijarah model ensures that economic benefits are distributed fairly while preserving divine trust over natural resources. This system avoids the exploitation often found in conventional land leasing by emphasizing social cooperation, transparent agreements, and sustainability-oriented practices. The outcomes—*economic justice (Adl)*, *sustainable development (Istislah)*, *community empowerment (Ma’ruf)*, and *environmental balance (Mizan)*—demonstrate that Ijarah can serve as a viable framework for balancing human needs with ecological preservation.

Recommendation: The study strongly suggests that local governments, Islamic financial institutions, and agrarian policymakers adopt Ijarah-based land management policies as part of sustainable development programs. Training and legal standardization should be developed to formalize Ijarah contracts, accompanied by environmental safeguards and Sharia compliance mechanisms. Future research should explore the scalability of this model across other rural contexts to strengthen the integration of Islamic ethics and environmental governance in agricultural policy.

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