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Dr. H. Ahmad Djalaluddin, Lc., M.A.

as **presenter** the

1st International Conference of Islamic Economics & Business (ICONIES)

22 September 2018

Maulana Malik Ibrahim State Islamic University of Malang
Indonesia



Dr. Nur Asnawi, M.Ag.
Dean Faculty of Economics

Maulana Malik Ibrahim State Islamic University of Malang

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Welcome to the 1st International Conference on Islamic Economics and Business (ICONIES 2018), held on 22 September 2018, Maulana Malik Ibrahim State Islamic University Malang, Indonesia.

ICONIES is an annual conference in the field of management, Islamic banking, entrepreneurship, and Islamic economics. The aims of ICONIES are to enable academics, researchers, practitioners and college students to discuss and publish their research findings, ideas, developments, and innovations in the field of economics and business based on Islamic value and principle.

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It is my proud privilege to welcome you all to the 1st International Conference on Islamic Economics and Business (ICONIES 2018) at UIN Maulana Malik Ibrahim Malang. This platform is intended to provide a platform for researchers, educators, and professionals to present their discoveries and innovative practice and to explore future trends and applications in the field economics, business, accounting, entrepreneurship and Islamic Banking. However, this conference will also provide a forum for dissemination of knowledge on both theoretical and applied research on the above said area with an ultimate aim to bridge the gap between these coherent disciplines of knowledge. Thus, the forum accelerates the trend of development of technology for the next generation.

Furthermore, I would to express my gratitude to keynote speakers, Muhammad Haseeb, Ph.D from Management and Science University, Malaysia., Ben Roy Do., Ph.D from National Central University, Taiwan., and Prof. Dr. H. Muhammad Djakfar, M.Ag from UIN Maulana Malik Ibrahim Malang who so generously made this event come together smoothly and we could not have done it without you. The editors deserve special thanks for their excellent endeavor in reviewing and preparing manuscripts for publication. I would like to thank for the presenters for their willingness to share their latest research and ideas. Without their effort, this conference would not possible. Keep up productive discussion.

Finally, welcome all of you to the 1th ICONIES 2018 International Conference on Islamic Economics and Business. Please accept best wishes for a wonderful and stimulating stay in Malang. I hope you will enjoy the conference and have a wonderful time. Muhammad Sulhan
Chairman

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[The Financing Role of Sharia Banks Toward the Development of Micro, Small and Medium Enterprises \(MSMEs\) in Indonesia on Era Revolution Industry 4.0](#)

Naning Fatmawatie

The development of the sharia banking sector in Indonesia is growing rapidly. The presence of sharia banks has a positive impact on the growth of the real sector, especially MSMEs. This is because mudharabah and musyarakah pattern is a direct investment pattern in the real sector. The Industrial Revolution...

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[Coaching of Student Cooperation To Be "Rahmatan Lil 'Alamin"](#)

Abdul Bashith, Saiful Amin

Focus of the problem of this study's presentation emphasizes how the development of entrepreneurship development of "Padang Bulan" student cooperations in the Maualana Malik Ibrahim State Islamic University of Malang, the presentations on the exemplary study in that became important and interesting to...

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[The Gap Analysis of Public Servqual \(Case Study of Bus Rapid Transit's Customer on Makassar\)](#)

Harry Yulianto, Syarief Dienan Yahya

Public transportation such as Bus Rapid Transit (BRT) was an alternative solution in reducing traffic congestion in major cities of Indonesia. Trans Mamminasata BRT was one of the urban transportation as part of the government program to provide mass transit for the people of Makassar. An aims of this...

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The Effect of Liquidity and Profitability to Dividend Policy with Asset Growth as Moderating Variable (Study on Property Sector, Real Estate and Building Construction Listed on Indonesia Stock Exchange)

Muhammad Sulhan, Tri Yeni Herliana

Dividend Policy is the decision whether the profit earned by the company will be shared toward the shareholders as a dividend or will be held in the form of profit in order to be used to fund future investments. Investors prefer high dividends rather than low dividends because of its certainty. To minimize...

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Application of Combined Assurance as a New Approach to Integrate Internal Audit, Governance, and Risk Management: A Case Study on Indonesia Financial Service Authority

Aulia Natasya Irfani Ampri, Desi Adhariani

This research analyzes the Indonesia Financial Service Authority (Otoritas Jasa Keuangan-OJK)'s best practices on assurance function to assure good corporate governance inside the institution. OJK introduces a new approach called 'combined assurance' to achieve this objective, which integrated all the...

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The Effect of Mobile Banking On User Satisfaction and Loyalty through the Quality of Mobile Banking Service (Study on Banks in East Java)

Lailatul Farida

Background of this research is dramatic development of Mobile Banking in Indonesia. It is so obvious because m-Banking service has provided an unhampered practical financial transaction through cellular phone such that the user is capable to operate online banking transaction in any times and places....

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Trading Activity Against Political Event (Event Study of the So-Called 212 Peaceful Demonstration)

Sri Utami Ady, Yessy Ethiza Faramida, Tri Listyorini, Yuniningsih

This study aimed to explain the reaction of the capital market against event (Event study) 212 demonstrations peaceful protest events against the share price of PT Nippon Indosari Corpindo Tbk in December 2016. It also aimed to analyze the level of Indonesian capital market. PT Nippon Indosari Corpindo...

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The Role of Human Resources and Information Technology on Implementation of Business Process Reengineering Strategy

Herminawaty Abubakar, Palipada Palisuri

Currently, competition is getting tighter, coupled with the emergence of new competitors coming from various business organizations with different strategies so that now the company is also looking for new sources of competitive advantage, which are rare, difficult to replicate and can be used continuously...

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Family-owned and State-owned Firms Disclosure: Comparative Analysis of Indonesia Public Firms

Utami Ratnasari, Desi Adhariani

This study aims to compare the disclosure between family-owned and state-owned firms in Indonesia Stock Exchange included in LQ45 Index in 2016. The indicator used is the Principle of Disclosure and Transparency in ASEAN Corporate Governance (ACG) Scorecard, and the method used are the qualitative descriptive...

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Analysis of the Effect of Mortgage Income, Gold Price and Inflation Rate on Rahn Financial Distribution With Return on Assets as Intervening Variable

Yayuk Sri Rahayu, Sabtiyah

The this research purpose was to identify the effect of Mortgage Income, gold price, and inflation rate on Rahn financial distribution and the indirect effect with ROA as intervening variable on Sharia Mortgage in Indonesia for 2014-2016 period. This study was designed as quantitative research. The samples...

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The Influence of Sharia Compliance and Customer Experience on Satisfaction and Loyalty of Muslim Tourist who Visited Sharia Hotel

Muhamad Nur Alam, Mohamad Soleh Nurzaman, Fahadil Amin Al Hasan

Halal tourism is one of the sectors in Islamic Economy which has a significant development. In this case, sharia hotel is an inseparable part of the halal tourism sector. In Indonesia, the implementation of halal tourism is still being addressed. However, the quantity of sharia accommodation available...

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Client Satisfaction Levels at Microfinance Institution: An Empirical Research

Rudy Pramono, Sabrina O. Sihombing, Diena M. Lemy

Since 2008 until now, Koperasi XYZ has never conducted any assessment of the satisfaction and interest of clients on loan services to micro businesses that are the focus of their services. On the other hand, customer satisfaction can be used as a critical indicator of institutional development success...

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The Antecedent of Organizational Commitment of Sharia Banking Employees

Siswanto

Organizational commitment is one of the important concepts in human resource management. Some organizations conduct a regular survey on employee organizational commitment. Therefore, giving attention to the antecedents of organizational commitment is very important. This study aims to analyze the antecedents...

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Endogenous Factors for Financing Rationing on Sharia Banking in Indonesia

Diah Wahyuningsih, Karimatus Sa'diyah

The aim of this research is to find the impact of revenue sharing, banks equity, NPF and total financing to a profit of Islamic Banking. The main aim of this research is to look for the financing of rationing in Indonesia's Islamic Banking. This research is quantitative approach use panel data with OLS...

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Differentiation of Internal Factors on Entrepreneurship

Setiani, Agung Suryo Prakoso

This study aims to analyze the influence of entrepreneurship education and family culture on interest in entrepreneurship through entrepreneurship spirit. This research was conducted in some college in Malang city, using 167 students as a sample and a sampling technique using probability sampling is...

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The Effectiveness of Zakat Utilization Program Based on Integrated Community Development in West Bandung Regency (Case Study of Assisted Village by Rumah Zakat)

Elis Nurhasanah, Mohamad Soleh Nurzaman, Yusuf Wibisono

This paper aims to determine the effectiveness of zakat utilization based on Integrated Community Development (ICD) to affect the improvement of welfare. This study not only measures the level of welfare of the community but also mustahiq community members in Mekarwangi Village after the intervention...

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Industrial Emissions in Java Island of Indonesia: A Convergence Analysis

Deni Kusumawardani, Teuku Noerman, Mei Anggun Soraya, Feri Dwi Riyanto

This main objective of this study is to test emissions convergence, absolute and conditional, of manufacturing industry among provinces in Java Island as center of industrial activity and economic growth in Indonesia. Micro-data at firm-level of six provinces during 2000-2009 are employed and econometrics...

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Profit: A Denotation and Connotation Meaning in Rolland Barthes Perspective

Sulis Rochayatun, Fitriya Andriyani

The purpose of this study is to find out how accountants and non-accountants interpret earnings, and what the reality behind the interpretation. A reality in the accounting profession and students of SMK Akuntansi establish a perception that profit is matching between income and expense (syntactic)....

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Analysis of Rupiah or Yen With Hooper Morton Exchange Determination Model Approach

Rossanto Dwi Handoyo, Angga Erlando, Farida Azzahra, Feri Dwi Riyanto

Our study aims to analyze the behavior of the Rupiah / Yen exchange rate using the Hooper-Morton model approach. The method used is ARDL during 2000:1-2017:4. The estimation results show that the factors that influence have a significant relationship to the exchange rate of IDR / Yen both short and...

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The Influence of Wage on Productivity and Inflation in The Manufacturing Industry Sector in Palembang

Agung Anggoro Seto, Royda

This study aims to analyze the influence of wages on productivity and inflation in the manufacturing industry sector in the city of Palembang. The data used in this research is labor industry wage data manufacturing, productivity data in the form of sectoral GDP of constant prices per number of workers...

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The Effect of Trade Liberalization on Indonesia's Exports

HQ of Evaluation 09/16/2021

Angga Erlando, Rossanto Dwi Handoyo, Silva Nur Rizha Fajriyanti

One of the open economic characteristics is the contribution of international trade in the economy. To make it bigger, there are many trade agreements are made to reduce international trade barriers. This study aims to determine the impact of trade liberalization on Indonesian exports to the three major...

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Efficiency of Micro Entreprises in Using Banking Capital for Poverty Alleviation

Atik Purmiyati, Nur Aini Hidayati

Poverty in East Java which is the highest in Indonesia with the number of poor people in the village more than in the city. This study aim to find out the efficiency of micro-enterprises in the agricultural sector who received Kredit Usaha Rakyat (KUR) and Commercial Credit (KK) and how the influence...

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Reconstruction Model of Social Justice Water Management For Society In Sharia Economy Perspective: A Study of Literature

Atwal Arifin, Mujiyati, Noer Sasongko, Muhammad Sholahuddin

Exploration to find a fair Water Resources management model is very important to do; especially there is an academic debate in water resources management. Some parties allow the management to be handed over to anyone including the private sector. However, some parties do not allow it. This research explored...

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Intellectual Capital to the Firm Value With Profitability as Intervening Variable

Basir S, Prianka Tiersa Arindha, Maretha Ika Prajawati

In order to compete competitively, the principle of corporate management must be changed by applying knowledge-based business based company. Intellectual capital is believed to play an essential role in improving corporate value and financial performance. The purpose of this paper is to find an effect...

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The Effect of Corporate Social Responsibility and Financial Ratio to Company's Value (Case Study of Companies Listed in LQ45 of IDX for the period 2011-2015)

Jennifer Luo, Herlina Lusmeida

The purpose of this research is to verify empirically whether Corporate Social

Responsibility and Financial Ratio affect company's value. Twenty companies listed in the LQ45 from Indonesia's Stock Exchange were used as sample. The samples data were taken from the year 2011-2015 using secondary data...

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Riba in Cognitive Behavioral Theory

Khusnudin, Agus Suman, Ahmad Imam Mawardi

Islam strictly prohibits riba practice. However, the message of Scripture seems to be neglected. Instead of adjusting economic behaviors with Scripture, in reality, it goes against the revelation. This descriptive-qualitative research aims to analyze riba behaviors with various personality theories,...

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Financial Report Enhances Character in Actualizing Good Governance

M.Dimyati Huda

This paper is describing about fair and without exception financial statement as a good financial management and managed by human resources who have national cultural character with the nature of openness, honest, trustworthy, integrity, effective, efficient, creative, smart, tough, caring, fair and...

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Profitability and Leverage to the Value of Companies With Dividend Policies as a Moderation Variable

Mardiana, Supami Wahyu Setiyowati

the purpose of this research is to test profitability and leverage to firm value with dividend policy as moderation variable. The method used is quantitative and correlational research type. The analytical technique used is Multiple Linear Regression. The results showed that profitability and leverage...

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Revitalization and Actualization of Religious Values to Realize Civilized Wasathiyah Economy

Muhammad Djakfar

the existing economic system in the world can be mapped into two categories. The first is the secular group separating economic matters and transcendental religious values as shown by the capitalism and socialism. Its fundamental source is from human thinking products. The second is the spiritual group...

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Analysis of Implications Related to New Decision on the Procedure of Double Taxation Avoidance Agreement at PT FM International

Safira Meidiati, Dodik Siswantoro

This report discusses an analysis of the difference between the old and the new regulations in the Indonesian Taxation Law on the Procedures of Double Taxation Avoidance Agreement and the administrative implications arising from the enactment of the statute. The results show that PT FM International...

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The Application of Blue Economy Principle Through Local Wisdom of Seaweed Farmers in Labuhan Kertasari Village, West Sumbawa Regency

Tri Wahyu Hardaningrum, Budi Eko Soetjipto

There are a number of local wisdoms reflected in the economic activities of seaweed farmers in Labuhan Kertasari Village, West Sumbawa Regency which are in line with the Blue Economy principles, even though they basically do not know and understand the Blue Economy concept. This study is intended to...

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Entrepreneurial Intentions and Its Influencing Factors: A Survey of Student Cooperative Members in Indonesia

Wahidmurni, Jadzil Baihaqi

The intention of entrepreneurship is regarded as a determining factor for the decision to choose a career as an entrepreneur. A good understanding of the factors that influence students' entrepreneurial intentions is essential to reveal. The current research aims to explain the effect of Needs for Achievement,...

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The Influencing Factors on Coffee Shop Customers' Revisit Intention

Widyawati, Margaretha Pink Berlianto

This study aims to investigate the effect of the service marketing mix (7Ps) on satisfaction, the impact of trust on commitment, the impact of satisfaction and loyalty on revisit intention in the context of coffee shop retailer in Jakarta. There are 11 hypotheses developed in this study. There were 332...

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The Difference of Human Resource Management Textbook between Western and Islamic Perspective

Wisber Wiryanto

The discipline of science today is influenced by the Western with secularism, liberalism, pluralism, and secularism. It is found in human resource management (HRM) disciplines that are empty of the values of revelation and cause problems. So that, a problem solving is needed with a solution through the...

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Competitive Strategy for Micro, Small Business and Medium Food Industry Sector

Zaim Mukaffi, Choirul Rozi, Rikza Ahzarona Susanti

Micro, Small and Medium Enterprises (MSMEs) have a significant contribution to the Indonesian economy but in its development leaves many problems such as marketing difficulties, financial constraints, limited human resources, raw material issues, technology, management issues and weak partnerships. The...

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Exploration of Entrepreneurial Skills for SMEs Development

Muhammad Farid Wajdi, Liana Mangifera, Muhammad Wahyuddin, Muzakar Isa

This research aim to identify skill as successful business of Small Medium Enterprises (SMEs). The population in this study is all SME entrepreneurs in Solo, Indonesia, and the sample research is the entrepreneurs of SMEs as 77 respondents who are in the area of Solo. Data analysis method used in this...

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Biogas as A Solution for Sustainable Energy Development in Maqashid Syariah Framework

Ahmad Djalaluddin, Ahsani Taqwiem

Islamic economy as a way of life began to be studied and applied in various aspects. However, on the other hand, there is still a vacuum in which the study on Islamic economics is now more focused on the study of business, finance, and banking. While the broad outline of basic economic problems that...

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Career Planning of Accounting Education Students

Suranto, Budi Eko Soetjipto, Afoow Roofi'ah

This research focused on finding out the career planning profile of accounting education students and finding the factors that influence the planning of careers and the efforts made by accounting education students to realize their desired careers. This research was qualitative research. The research...

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Zakat and SDGs : The Impact of Zakat on Economic Growth, Consumption and Investment in Malaysia

Eko Suprayitno

This study aims to look at the impact of zakat distribution on macroeconomic in Peninsula Malaysia by using OLS, 2-SLS and ECM analysis. This research is initially undertaken because many economists today believe that zakat does not influence the economy at the macro level because the zakat rate of...

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The Impact of Zakat, Infaq, Shodaqoh (ZIS), Unemployment and Poverty on the Economic Growth in Indonesia (2011-2017)

Neneng Alghina MG, Priyanka Permata, Bagus Aryo

Economic growth is one of the indicators to see how economic development in a country is. For example, when economic growth increases, we can say that economic development is going in the same way. This research aims to see the impact of Zakat, Infaq, and Shodaqoh (ZIS), unemployment, and poverty to...

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Identifying Micro-Entrepreneurs' Perception toward Financial Training: a Support for Economic Empowerment

Sabrina O. Sihombing, Yohana F.C. Palupi Meilani

This study aims to identify the perceptions of micro-entrepreneurs on the benefits of simple financial training provided by microfinance institutions. These perceptions can reflect economic empowerment that has been supplied by the microfinance institution through training. Two hundred and ninety-four...

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Implementation of Sustainable Business Strategy Change and Entrepreneurial Capacity Building through SMEs Empowerment

Agus Haryono, Mujiarto, Boge Triatmanto

SMEs empowerment in Indonesia faces a lot of obstacles; one of the biggest and most frequent issues is capital. As a matter of fact, reality does not support the previous statement. Education, entrepreneur motivation, business competition, business protection, and empowerment are the issues to be dealt...

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The Concept and Steps of Personal Selling

Fani Firmansyah, Margono S, Fatchur Rohman, Nur Khusniyah

Personal selling has long been recognized as the oldest and perhaps the most crucial component of the promotion mix. Personal selling can be defined as an oral presentation in a conversation with one or more potential buyer to ensure sales. Persuading customers to buy goods or services personally as...

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The Influence of "Islam Nusantara" on Batik Style in Surakarta, Central Java

Muhammad Sholahuddin, Umrotun, Muhammad Wahyuddin

Previously, Batik style in Surakarta had an animal in its style pattern. Drawing animal has forbidden in Islam. After receiving Islam teachings, it had changed into a plant style pattern. This paper aims to identify the strengths, weaknesses, opportunities, and challenges on batik production in Surakarta...

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Impact of Non Tariff Policy on Indonesian Coffee Exports To Main Importer Countries

Rossanto Dwi Handoyo, Angga Erlando, Ria Dwi Rafita Sari, Feri Dwi Riyanto, Andre Pupung Darmawan

This study discussed about the impact of non tariff policy on Indonesian coffee export to main importer countries such as, United States of America, Japan, Germany, Philippines, Malaysia, and Italy in 2003-2017. The Sanitary and Phytosanitary (SPS) dan Technical Barriers to Trade (TBT) were measured...

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The Effects of Occupational Health and Safety on Employee Performance Through Work Satisfaction

Vivin Maharani Ekowati, Firqiyatul Makhfudloh Amin

Many companies which are less concerned about the health and safety of employees can cause workplace accidents and health problems to employees. Accidents are undesirable and unpredictable when they occur, but they can be anticipated. The creation of safe conditions from the possibility of accidents...

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Hajj Financing With Sharia Pawnshop

Wuryaningsih Dwi Lestari, Siti Fatimah Nurhayati, Zulfa Irawati, Sri Murwanti, Muhammad Sholahuddin

The bailouts of Hajj in Islamic banking is already defunct. The reconstruction of Hajj bailout fund needs an in-depth analysis of the strategy program that has organized by sharia pawn institution. Approach with a review of the business model canvas is used to

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Why Should SMEs in Indonesia Have To Apply "Green Practices"?

Yuliani, Budi Eko Soetjipto

SMEs are known as the most dominant business sector in every country including Indonesia. SMEs do not only contribute to the GDB, but are also able to reduce unemployment through the employment opportunities created. However, SMEs poses various problems for the environment. This paper aims to explore...

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The Impact of Human Capital on the Economic Growth: An Education Approach

Atik Purmiyati

One of the successes of the country's economy is determined by economic growth. This measure emphasizes its attention to the increase in GDP (Gross Domestic Product). There are many approaches to find out the determinants of economic growth, one of which is through human capital. This study aims to know...

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Intervention of Dividend Pay Out Ratios in the Relationship of Liquidity and Debt to Equity Ratio to the Profitability of Companies Incorporated in the Indonesian Syariah Stock Index (ISSI)

Indah Yuliana

Increasing the company's ability to produce profits is a focus that must be achieved so that the company is able to maintain its survival. Investment policies, debt policies and dividend policies taken by the organization will influence other financial decisions and have an impact on the company's ability...

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Halal and Healthiness of Snacks Analysis for Creative Economic Business and Potential A New Business Opportunity

Muh. Mansur, Agus Widarko, Masyhuri M.

The purpose of this research is guiding fast foods be healthy (halal-healty) for creative economic business and choosed alternative to appear a new bussines. The target group is the creative economic business on fast foods commodity by using a method, participator action research (PAR) through some strategies....

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Integrated Maqasid Sharia Index: Indonesia Islamic Banks Performance

Ulfi Kartika Oktaviana, Laila M. Pimada

As a business entity, a sharia bank responsible not only as a company who seek profit, but also to carry out its functions and purposes as a sharia entity. The purpose of the research is to measure social performance achievement of Islamic financial institution using integrated maqasid sharia index....

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The Effect of Different Argument Quality and Religious Symbol to The Muslim Consumers' Attitude and Intention Toward Halal Food Products

Varah Nuzulifah, Mardhatilla Pefiza Sidik, Satria Fadil Persada, Dewie Saktia Ardiantono, Geodita Woro Bramanti

Several previous studies have examined the determinants of Muslim consumers' attitudes and intentions toward halal food products. However, until now there has not been much research that specifically discusses the influence of argument quality and religious symbol as a determinant of Muslim consumers'...

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Distribution Analysis and Agricultural Productivity Determinants in Indonesia

Rizky Oktabriani Putri, Selamat Joko Utomo, Henny Oktavianti

Agricultural productivity is a major issue in agricultural development in Indonesia. Therefore research on agricultural productivity is still very much needed. Accordingly, the objective of this study is to evaluate agricultural productivity and its distribution in Indonesia. The method used to clicking...

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The Antecedent of Employee Performance

Achmad Sani Supriyanto, Yadi Weripeh

In order to compete competitively, the principle of corporate management must be changed The employees need a good leader as the engine driving the company's activities to achieve performance. The loss of discipline will affect the efficiency and effectiveness of the work. If discipline cannot be enforced...

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The Application of Wadiah Contract on Islamic Banking Savings Products Through Branchless Banking (Conformity Analysis on Fatwa DSN-MUI and POJK)

Oliv Amalia Rahmasari, Nur Rizqi Febriandika

The purpose of Branchless Banking is to facilitate customer who do not have enough understanding about banking knowledge and still hesitate about the transaction done by the agent. Wadiah agreement is a contract used by Islamic banks in savings products in the form of depositing funds between the owner...

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The Role of Government in the Zakat Management: The Implementation of A Centralized and Decentralized Approach (Comparative Study in Indonesia and Malaysia)

Faridatun Najiyah, Nur Rizqi Febriandika

Zakat is the principle basis for upholding the social structure of Islam obligatory almsgiving. With the implementation of zakat institutions correctly and adequately, it is expected that the difficulties and suffering of the poor can be reduced. The role of the government as a regulator in managing...

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The Effect of E-Filing Implementation, Level of Tax Comprehension, and Tax Sanction on Formal Compliance of Individual Taxpayer

Ninis Nur Solichah, Isnalita, Noorlailie Soewarno

One of the biggest sources of state revenue is tax revenue. Taxes are used by the government to finance national development. The purpose of this research to determine the effect of E-filing implementation, level of tax comprehension, and tax sanction on formal compliance. Multiple linear regression...

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The Effect of Diversification On Firm Performance: The Role of Family Ownership

Boy Panangian, Sylvia Veronica Siregar

This study examines the effect of diversification on firm performance and also the moderating role of family ownership. We use two measures of firm performance: excess value and return-on-assets. Our samples are listed firms Indonesia Stock Exchange from 2011 to 2015 with total observations are 347 firm-years...

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Implementations of Sharia Business Strategy Development through Sharia Multilevel Marketing Schemes In Hajj and Umrah Travel Agencies

Shofie Amilia Budi Rachmawati, Nur Rizqi Febriandika

Over time, the development of the Sharia business model continues to develop, including in terms of marketing strategies. Sharia multilevel marketing strategies are also used in the business of Hajj and Umrah travel agents as a way to get a significant number of customers. This study is intended to find...

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An Analysis of Maqashid Syariah Devotion to the Profit of Syariah Commercial Bank in Indonesia

Sumarto, Sutikno, Kristina

This study aims to analyze how the effects of Fair Return, Interest-Free Product, Profit Ratio (as Maqashid Syariah variable), as well as Total Assets, Financing, and Third Party Funds (common variable) to Profit Sharia Banking in Indonesia. This type of research is a quantitative analysis. The data...

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The Effect of Entrepreneurship Competence, Entrepreneurship and Learning Orientation Toward Sustainable Competitive Advantages in Improving Managerial Performance on Medium Enterprises in Bengkulu Province

Muhamad Sil, Isma Coryanata

Micro Small and Medium Enterprises (UMKM) has become a concern for scientists and practitioners in an effort to improve the competitiveness of SMEs. High performance through competitive advantage is the goal of all Medium Enterprises (ME) that will be achieved in a dynamic and unpredictable business...

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P2P Lending Schemes for Funding Student SME Business

Nofian Deastuti Hajarsari

Nowadays, "student entrepreneur" is being a phenomenon. They usually fund their business using personal saving or loan from relatives. To make their business grow, they need to increase their funding but they are still not bankable. P2P lending may address that problem by providing alternative financing...

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Why Accounting is Important for SMEs? (Case Study of Tape Madu Jaya Jember)

The objective of this research is to analyze the cost of goods sold calculation for tape (fermented cassava) with traditional costing and time-driven activity-based costing (TDABC) approach. The research object is Tape Madu Jaya Small and Medium Enterprises (SMEs) in Jember that are engaged in the food...

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Impact of Family Ownership on the Firm's Abnormal Audit Fees

Rika Lusiana Surya, F Fitriany

This study aims to examine empirical evidence of the effect of family ownership on negatives abnormal audit fee and positives abnormal audit fee. This study uses panel data of 733 observations of companies in Indonesia Stock Exchange (IDX) during the year 2012-2016, where 386 observations are companies...

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Does Managerial Ability and Corporate Governance Mitigate Tax Avoidance Activities When Environmental Uncertainty is Considered?

Mutiara Kemala Ratu, Sylvia Veronica Siregar

This study aims to examine the effect of environmental uncertainty on tax avoidance with a managerial ability and corporate governance as a moderating role in it. The sample used in this study is a company listed on the Indonesia Stock Exchange (IDX) period 2014-2016. Abnormal Book-Tax Difference (ABTD)...

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Transformational Leadership and Team Performance: The Role of Innovation in Indonesia Property Agent Industry

Idris, Khofifatu R. Adi

This study aims to examine the role of innovation in Indonesia property agent industry through the relationship between transformational leadership and team performance. It conducted at PropNext Reality Property Agent, branch Malang, and Surabaya. To examine the hypotheses, Partial Least Square (PLS)...

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Strategy of Selling Price, Innovation, and Values Contained in Business of Batik Genthongan

Yuni Rimawati, Robiatul Auliyah

Batik is not only a clothing product but also a work of art. This study aims to gain an understanding of business innovation and Batik Genthongan selling price strategy. Besides, this research seeks to explore the values contained in business innovation and strategy. The approach used in this research...

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The Effect of Role Conflict and Role Ambiguity on Auditor Independence with Spiritual Intelligence as A Moderation Variable

Ferry Apriyanto, Prasetyono, Rita Yuliana

This study aims to prove role conflict and role ambiguity on the independence of auditors with spiritual intelligence as moderating variables. This study uses a quantitative approach with primary data in the form of questionnaires. The questionnaire distributed to 95 respondents. The population in this...

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The Role of Digital Marketing in Improving Sales to SMEs in Dealing with ASEAN Economic Community

Mohamad Trio Febriyantoro, Debby Arisandi

Technology continues to grow, and the benefits of the Internet increasingly felt for users who can not be separated from the Internet, including small and medium enterprises (SMEs) in utilizing information technology to run its business. An increasing number of competitors into consideration for business...

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The Existence of Flight to Quality: Evidence From Indonesia

Muhammad Riza Hafizi

This paper aimed to analyze the investments shift from high-risk investment (stock) to a more secure investment (bond) or commonly called a flight to quality in the event of a crisis in Indonesia. The samples in this study are Jakarta Composite Index (JCI), Indonesia Corporate Bond Index (CBIX) and Indonesia...

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The Effect of IFRS Convergence on Accounting Pay for Performance Sensitivity with the Role of Audit Committee as Moderate Variable

Shinta Megawati Sitorus, Vera Diyanty

This research aims to investigate the impact of IFRS convergence on accounting pay for performance sensitivity. This research uses samples 515 firm-years of non-financial public companies listed in Indonesia Stock Exchange for the period 2012-2016. For comparability with previous studies which using...

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An Analysis on the Effect of Performance Factors and Technology Aspect on Market Share of Sharia-Compliant Banking in Indonesia

Muhamad Sandy, Ade Sofyan Mulazid, Faizul Mubarok

This study aims to analyze the influence of the Operational Efficiency Ratio (OER), Return on Assets (ROA), Non-Performing Financing (NPF) and Electronic Banking towards a market share of sharia-compliant banking in Indonesia. Secondary data was used from the annual report of the Financial Services Authority...

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Building Loyalty Based Sharia in Financial Services Companies (Study on BMT Sidogiri Pasuruan)

Siti Asiyah

This study aims to examine and analyze the relationship between adherence to Sharia Principles to customer loyalty, with trust as mediation in the BMT Sidogiri East Java. This type of research is explanatory research, which is research that wants to find explanations in the form of causation. This study...

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An Evaluation of Regional Development in Gender Perspective: Study in East Java Regional Development Process

Sutikno, Henny Oktavianti, Atut Frida Agustin

This paper aims to: Evaluation of Human Development Index (HDI) of men and Human Development Index (HDI) of women. Evaluation of achievement of Gender Development Index (GDI) and Gender Empowerment Measure (GEM) in each district/cities in East Java. And analyze the variables that affect the achievement...

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Reconstruction of Performance Measurement Models for Islamic Bank

Setya Rahmawati, Satia Maharani

Criticism of conventional financial performance measurement for Islamic banks states that the management behavior of Islamic banks that apply CAMELS and RGEN as a measure of performance, will be co-opted by values that focus financial goals as top priority. Islamic banks will be reduced to material and...

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Analysis on the Effect of Location, Brand Image, And Word of Mouth on The Customers' Decision Process in Choosing Hajj Saving in Sharia-Compliant Banking

Siti Sholihah Putri, Ade Sofyan Mulazid, Sofyan Rizal

This research aimed to find out, to analyze, and to explain the effect of location, brand

image and word of mouth on the customers' decision in choosing hajj saving product in sharia-compliant banking in South Jakarta area, either simultaneously or partially. The result of the research was expected to...

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Effect of Income Rate, Education, Religiosity to Muzakki Interest to Pay Zakat; Case Study of National Amil Zakat Board Central Java

Budiyono, Serly Andini Restu Putri, Muhammad Tho'in

The purpose of this research is to prove the influence of each independent variable consisting of income, education, religiosity to the dependent variable that is the interest of muzakki to pay zakat at the National Amil Zakat board Central Java namely the National Amil Zakat Board Surakarta. The research...

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Maqashid Shariah-Based Performance and Islamic Social Responsibility; an Empirical Study of Islamic Bank in Asean

Nida Nadya Hasan, Miranti Kartika Dewi

The measurement of the financial performance of Islamic banking mostly still use the financial performance indicator of the conventional banking system. Necessarily, it should be linked with the purpose of Islamic banking that is to provide benefits to human beings and to implement the principles contained...

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The Implementation of Risk Management in Zakat Institution; Case Study of Dompot Dhuafa Yogyakarta

Tulasmu, Rahmani T. Yulianti, Jefri Heri Sofyan, Annissa Nurhanifah Hariyadi

This study aims to identify potential risks to zakat institutions, identification for the conditions that are causing the risks, analyze the impact on chances and formulate a proactive strategy to mitigate the inherent risks in zakat institutions. This study is using qualitative methods to identify and...

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CEO Characteristics and Firm Performance; Empirical Studies from ASEAN Countries

Indira Emmelina Emestine, Dyah Setyaningrum

The purpose of this study is to examine the association between Chief Executive Officer (CEO) characteristics on firm performance. Tobin's Q measures firm performance; while CEO's characteristics are measured by tenure, age, professional certification in finance or accounting, advanced education in finance...

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Assesment of Zakat Distribution: A Case Study on Zakat Community Development in Bringinsari Village, Sukorejo District, Kendal

Rahman Saleh, Mohamad Soleh Nurzaman, Yusuf Wibisono

This study aims to assess the feasibility of zakat distribution conducted by Zakat Community Development program, one of the BAZNAS programs in Bringinsari village, Sukorejo Subdistrict, Kendal Regency, Central Java using the Zakat Village Index. The assessment will help determine whether the community...

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Business World and Alternative Solutions on Achieving Sustainable Development Objectives

Wahyudin Maguni, Husain Insawan, Herman, Rusding Muhalling

Being aware of their vast and important role in society, the business world must be more involved than ever and should be a solution in realizing Sustainable Development Business (SDGs), said Managing Director, President Office, Sinar Mas, GandiSulistiyanto, at the opening of Indonesia Global Compact...

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Explaining the influence of OCB dimensions to the Employee performance

Rini Safitri

OCB is a pivotal employee behavior to improving company performance. Increased competition triggered by globalization in various sectors of the economy makes competition in the banking business very tight, not only between banks but also from other financial institutions, including Rural Credit Banks...

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Biogas as A Solution for Sustainable Energy Development in Maqashid Syariah Framework

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Abstract—Islamic economy as a way of life began to be studied and applied in various aspects. However, on the other hand, there is still a vacuum in which the study on Islamic economics is now more focused on the study of business, finance, and banking. While the broad outline of basic economic problems that comes from the fulfillment of needs and desires with all the implications on the long-term or often referred to as sustainable development in the concept of Islamic economics is still minimal discussion. Where in this journal the authors will raise about the issue of sustainable development with the focus of studies in the energy sector where the research area conducted found a total economic value of Rp 72,312,000 consisting of direct benefit value, indirect benefit value, choice value, and value of existence on sustainable energy development efforts in one village where the research is conducted with some other derivative benefits that can be studied in the concept of maqashid al-syariah.

Keywords—Islamic Economy, Sustainable Energy Development, Total Economic Value

I. INTRODUCTION

Lately, the Islamic economy as a way of life begins to be discussed in various scientific studies. However, the discussion about the existing Islamic economics are more focused on the discussion in the fields of business, finance and banking. On the other hand, the true Islamic economy, as expressed by Juhaya [8], is a unit of science that discusses multifaceted studies that cover not only business and finance, but also banking sector.

The basic problems of the economy itself are the unlimited human needs and the limited means to fulfill such needs which then result in the scarcity and destruction of nature as it occurs today. Islamic economy which is originated from Qur'an and Sunnah has long predicted this kind of issue as it is stated in surah Ar-Rum 41: "it has been seen that the destruction on land and at sea is caused by the deeds of the hands of men, that God may feel to them some of the consequences of their deeds in order that they may return to the right path."

While this state of affairs in the conventional economy start realized at the end of the 20th century when scientists began to consider a new concept of sustainable development concept that began formulated in the late 1980s in response to develop strategies so far that only focus on proven high economic growth goals has led to degradation of production capacity and environmental quality.

Sustainable development was first defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." This definition recognizes the integrated nature of the relationship between humans and their environment. It highlights the spatial and temporal dimensions of sustainable development as fundamental in

societies where an increasing number of people are able to lead decent lives both now and in the future.

Equity and fairness are additional key principles of sustainable development in that priority is given to improving the conditions of the poor and to distribution across generations. By recognizing future generations as key stakeholders in development (but ones that are not present to defend themselves), sustainable development exposes a key deficit in the status quo. Free markets do not protect future users; public goods such as fresh water and clean air are vulnerable to abuse and over-exploitation unless economic activities are regulated.

Governments likewise have no incentives to protect future consumers; the design of democratic political systems means that they are preoccupied with short-term gains that reflect the needs and wants of their constituencies. Sustainable development thus demands a commitment in which current users and policy-makers act as planetary stewards by taking actions and making decisions that will protect future stakeholders.

Table 1. Sustainable Development Structure

Sustainable Development Structure	
Primary Dimensions	Secondary Dimensions
Safeguarding long-term ecological sustainability	Preserving nature intrinsic value
Satisfying basic human needs	Promoting protection of the environment
Promoting intergenerational equity	Promoting public participation
Promoting intergenerational equity	Satisfying aspirations for an improved standard of living

In other words, sustainable development efforts must be oriented towards three dimensions of sustainability, namely the sustainability of economic enterprises (profit), the sustainability of human social life (people), and the sustainability of the natural ecology (planet) which is often referred to as a triple-P pillar.

Economic growth could even be seen as a vehicle for facilitating the four primary dimensions of sustainable development outlined above. However, it was not intended to have the dominant role it has come to occupy in the 3Ps model. The global adoption of the 3Ps model has arguably alienated cultures that are not focused on economic growth or capitalism. It may also explain their weak progress in certain areas and reluctance to engage in sustainable development debates and goal setting at the international level.

As for the energy studies that authors use as the focus of this study relates to the natural conditions of some countries, especially in Indonesia which is in a tropical country and has high rate of rainfall, it gives a big potential for energy sector, 14.1 million Indonesian households work in the agricultural sector. Agricultural potential is important to several countries because in addition to fulfilling national food security function, as Soekartawi said [9], agriculture in many countries including Indonesia is one of the sectors that play an important role in the provision of employment in large numbers for the community.

However, on the other hand, the agricultural potentials in Indonesia is still becoming a major problem that threatens the sustainability of Indonesia's agricultural sector. That major problem is then divided into two aspects:

1. Human Resources within farming communities.
2. Natural Resources within environment and farming production.

The problems with the human resource aspect are the unqualified farmers, the limited access of farmers to the capital and technology, as well as the institutional capability of farmers. These problems result in the low average of the welfare of Indonesian farmers, especially in the effort fulfillment of daily needs.

In the concept of economics, the problem of the fulfillment of the necessities of life arises because of the unlimited human needs that increase over time, as Mangkoesubroto said [6], while the limited and diminishing resources are unable to meet human needs forever. Acknowledging this bitter reality, people are left with no choice than to choose the only option which will benefit them most by maximizing the supporting tools, or people will tend to choose an option which requires the smallest number of victims among others for the sake of fulfilling a certain need.

In farming societies, the problem is often about choosing to apply organic or inorganic farming patterns in

developing the farms. Today, the majority of farmers tend to prioritize the application of inorganic farming patterns in developing agricultural land.

This is because the use of inorganic materials provides more benefits in short-term period as well as more practical use when compared to organic materials. Furthermore, farmers can see faster results which will lead to greater income compared to the use of organic materials so that the use of inorganic materials on agriculture has been an option frequently used by farming communities.

However, on the other hand, the use of inorganic materials on agriculture has now been shown to provide more negative impacts to the land environment and agricultural production. These may include pollution of land that is potentially damaging to the soil and contaminating the irrigation which may harm consumers' health in a long-term period.

Responding to these two issues, sustainable development effort in the agricultural sector is an effort that needs to be prioritized. Where empirical observation suggests that no country can achieve a take-off stage toward sustainable economic development driven by industry and service sectors based on modern science and technology without preceded by the achievement of sustainable development stages in the agricultural sector.

Batu City can be the perfect example when it comes to discussing the development of the agricultural sector. Batu City is one of the cities in East Java Province. Since it is located 600-3000 MASL with high rate of precipitation and springs, Batu City is very potential to develop agricultural sector. In 2014, 53.46% of people in Batu work in agriculture/livestock sector. Therefore, Batu City Government through Regional Medium-Term Development Plan (RPJMD 2012-2017) has established the vision of Batu City development as the center of organic farming.

Developing organic farming by Batu City Government is based on sustainable development effort in Batu City agricultural sector which long-term goal is to develop health-oriented agriculture that can improve farmer's prosperity. Batu City Government took this move by considering future market potential where organic farm product will be high-priced than the inorganic one; this will maintain the continuity of agriculture land and is also potential to increase farmer's economy in Batu City.

Responding to the policy plan, Batu City government took the first step with a system of cooperation with farmer groups in villages throughout Batu City to jointly seek sustainable development in the Batu City agricultural sector to maintain the environment of agricultural land in the long term while striving to improve the economic level of farming communities in Batu City.

Thus, in this research, authors will take a case study on the effort of organic farming development in Pendem village which has been established as organic rice farming development center which is done by Batu city government by cooperating with farmer community in Pendem village with focus of research on process which have running along with the values gained in the process.

II. METHOD

This research was conducted in Pujon District, Malang Regency, East Java Province. Research location is determined intentionally (purposive) with the consideration that the area is a recommendation from the Regional Development Planning Board of Malang Regency as an area which pilot project is the development of energy development in Malang Regency precisely in the farmer group of Sri Mulyo, Bendosari Village.

The type of data used in this study is quantitative and qualitative data collected through data collection techniques according to each type of data. Sources of data collected are primary and secondary data. Primary data are any data obtained directly from respondents or informants. Conversely, secondary data are any data obtained indirectly through another party or document tracking.

A technique of data collection on quantitative methods was done by distributing the questionnaires to research respondents. While the technique of qualitative data collection was conducted through a depth interview with relevant informants and respondents; while the documentation techniques were carried out by analyzing or browsing research related documents.

Based on data collection techniques which have been described, the instruments of this study are a non-test instrument in the form of questionnaires and interview guidelines. The selection of research sites was done purposively, which is in Srimulyo farmer group as a demonstration plot of organic rice farming development in Batu City, East Java Province.

The determination of key informants was determined using purposive sampling with criteria that require them to understand the field conditions, to be experienced in the development of organic farming, and to own information network about the development of organic farming. The key informants in this study are Mr. Sariono as agriculture and tourism cultivation in Batu city development planning agency along with the ranks of his staff and Mr. Muji as the chairman of the organic farming area group as well as the chairman ranks of members of Sri Mulyo II farmer group in Pendem village, Batu city.

Then, pattern of research approach used in this research is the concept of theory of total economic value. This method is used because it can classify the value of benefits based on how or where the benefits are derived.

The calculation of Total Economic Value in this research is as follows :

$$TEV = (DUV + IUV + OV) + (EV + BV)$$

$$\text{Total Economic Value} = \text{Direct Value} + \text{Indirect Value} + \text{Tangible Value} + \text{Intangible Value}$$

III. RESULT AND DISCUSSION

To date, the organic rice farming development is undertaken in Pendem village, Junrejo sub-district, Batu city cannot be said to run smoothly because of some problems that researchers will explain in the following sections. The development of organic rice farming in Pendem Village is still actively carried out by 15-22 members of the environmental community group initiated by Mr. Muji. Therefore, the researcher will explain the result of interview and data of result from the questionnaire that was filled out by 15 members of the group of Mr. Muji.

1. Direct Value

The value of direct benefits is derived from the multiplication of the amount of farming produce and the price market then reduced by the cost incurred for agricultural production. The development of organic rice farming in the Pendem village, Batu city is conducted by 15 peasants in an area of 13 hectares which is capable of producing about 79,800 kg per harvest at a selling price of IDR 3,500 per kg so that the receipt taken is IDR 279,260,000.

The cost issued by the farmer consists of fixed costs in the form of land rent, land tax and equipment depreciation as well as variable costs such as seeds, fertilizer from the initial planting process to harvest time during one period of planting; it is IDR 89,480,000, - so that the value of direct benefits received by organic rice farmers in Pendem village is IDR 189,780,000, -

Table 2. Revenue of Biogas Energy Development.

Description	Revenue
	Energy Development
Receipt (Rp)	279.260.000
Cost (Rp)	89.480.000
Income (Rp)	189.780.000

Source : Primary data is processed based on local market price.

2. Indirect Value

The value of indirect benefits in this study consists of two parameters namely water supplier land and employment providers. The first indirect benefit value is the value of the benefit suppliers of groundwater. This value is obtained by calculating the quantity of ground water per year multiplied by the land area multiplied by the price of water per cubic meter.

Based on the measurements made by PDAM Batu city related to the needs and the fulfillment of clean water for households in geography, the value the water debit in the Pendem village is at the rate of 120.5 liters per sec. The water quality in Pendem Village is in grade A (excellent and fulfill the quality).

Through the analysis of water needs, it was found that the water needed for an area of 13 Ha is around 725.428,9 liter per day or 264,781,548.5 liters per year or 264,781.55 m3 per year. With its own Grade "A" quality water resources, it can be seen that the water requirement for organic rice farming in the village Pendem can be fulfilled.

The price of water per cubic meter set by PDAM Batu city for the land agriculture is IDR 640 per m3. Thus, the value of indirect benefits of water supply parameters land is IDR 169,460,192.

The value of indirect benefits can also be calculated from the amount of labor usage at the organic farming sector in Pendem village, Batu city. Where the labor comes from the farm family. Where in this study, the labor from within the family is also calculated on the basis of wages coming from outside the family (calculated on the basis of calculation of working day) and different wage rates between male and female labor where the cost for male labor ranges from IDR 40,000 to IDR 47,500; while for female workers, it ranges from IDR 20,000 to IDR 30,000 with an average workload of 4 hours a day or until noon with the calculation of the average cost as the following;

Table 3. Average revenue of Biogas Energy Workers

Activities	Income/ person (Rp)
- Land plow	397,826
- Land preparation	444,783
- Hatchery	109,174
- Seedbed	76,522
- Planting	344,348
- Fertilization	
• fertilization I	417,826
• fertilization II	272,826
• fertilization III	65,780
- irrigation	
- prevent rats	210,435
- pesticide spray	57,609
- keep bird	60,913
- weeding	109,348
- harvest	274,696
TOTAL	3.493.825

Source : Primary Data

Thus, the value of indirect benefits of labor usage parameters for each hectare the land where it takes 8 workers per Ha is IDR 27,950,600. The total value of indirect benefits on organic rice farming in Pendem village is as much as IDR 197,410,792.-.

3. Tangible Value

The value of choice consists of environmental conservation parameters that allow for partial removal for the development and conservation of the land and the natural surroundings. As many as 80% of Pendem community have been aware of the potential to be developed as organic rice farming.

While the other 20% still think that the condition of nature and potential of the farm are not a great potential, communities contributes of their income to keep the natural resources that may be used in the future, among others: awareness of potential of Pendem Village by society is dominated by the abundant agricultural potential or at least more than any other area in the Batu city.

In addition, the community also thinks that the programs and activities of the Batu city Government will develop organic farming. Communities can be encouraged to maintain their existence by giving various programs and activities that improve their income significantly, including organic farming. Management directs the other communities to take advantage of easy access and community support to build some agricultural production outlets that can be the first step in building a plant organic farming area.

The community also needs to be given an understanding of land governance and the environment so as not to exploit the potential of agriculture without considering soil capacity of handling artificial chemical elements. Therefore, the Government provides counseling, technical assistance, and natural fertilizer subsidies so that farmers keep on guard sustainability of land in Pendem Village.

As many as 80% of Pendem's society put aside their income to keep the beauty and the natural condition of Pendem Village; the saving ranges from IDR 40,000 to IDR 150,000. With that number, the value obtained are about IDR 476,681,000.

4. Intangible Value

The value of the existence and value of inheritance are the value of activities that the government oversees within the efforts of land development. Batu municipal government in an effort to develop agriculture organic in Pendem village has budgeted the funds used in farming development rice organic in Pendem village. Batu city government policy in cooperation system with Sri Mulyo community are attempting to provide fund allowances to meet the needs farmers in an effort to develop organic rice farming in Pendem village that has been started since year 2014.

Efforts to develop organic rice farming by the government in Pendem village is supported by the community, especially the people who are members of the group organic farming area established by Mr. Muji and members of Sri Mulyo II farmer group also begin to realize the shortcomings of conventional or non-organic farming systems. Therefore, the government takes a preliminary strategic step by supporting the efforts made by group of existing organic farming areas by providing funding allowances to meet the needs required to maintain the development of organic rice farming.

Total budget used in the development of rice farm in Pendem village is IDR 250,688,025 in 2014 and IDR 259,575,630 by 2015.

5. Total Economic Value Calculation

The total economic value of Rice Organic farming in Pendem Village can be calculated by this calculation :

$$\begin{aligned}
 TEV &= (DUV + IUV + OV) + (EV + BV) \\
 TEV &= (189.780.000+197.410.792+476.681.000) + \\
 &(259.575.630) \\
 TEV &= 863.871.792 + 259.575.630 \\
 TEV &= 1.123.447.422
 \end{aligned}$$

Thus, the total economic value of rice organic farming in Pendem village is as much as Rp. 1.123.447.422, -.

Assessing the subject of agriculture in the concept of Islamic economics in fact this already exists in the verses of the Qur'an among others on Ar-Rahman 10-13 : *“and God has leveled the earth for the creature (His). On the earth there are fruits and palm trees that have petals. and the crusted grains and the fragrant flowers. Then which favors of your Lord do you deny?*

In addition, there is the subject on Yasiin 33-35 : *“and a sign (great power of God) to them is the dead earth. We live the earth and We remove from it grain, Then thereof they eat. And We made him the gardens of dates and of the grapes, and We caused him to sprinkle some springs, that they may eat of their fruits, and from their hands. So why are they ungrateful?.* From the above two verses, it appears that agriculture as one of the gifts of God needs to be studied in depth in various aspects one of them in Islamic economics.

Then continue to the discussion on sustainable agriculture development in the concept of *maqashid shariah*. The objectives of the *Shariah* essentially reflect the broad and comprehensive understanding of the objectives of the ruling of *Shariah* revealed for the benefit of mankind [2]. The ruling is revealed from Allah SWT.

The *Maqasid Shariah*, an Arabic term, is a combination of two words, that is, *Maqasid* or goals and objectives and *Shariah*. *Maqasid* could be defined as the objective, aim or intention while *Shariah* is the law of Islam. Thus, the objectives of the *Shariah* is the objective of the implementation of *hukm* or command [7]. The *Maqasid Shariah* is translated as the objectives of *Shariah* [5].

It is considered by Laldin and Furqani [5] as the broad framework governing the financial sphere that provides guidelines and directions to ensure the realization of *maslahah* or benefit and the prevention of *mafsadah* or harm in all financial transactions. Laldin and Furqani [5] further clarify that the objectives of *Shariah* remain theoretical until they are applied and brought into the realm of reality.

The objectives of the *Shariah* is classified into two main categories, namely the general or *Maqasid al-amm*, the specific or *Maqasid al-khassah*. Ashur [1] defined the general objective as the deeper meaning and inner aspects of wisdom by the Lawgiver in all or most of the areas and circumstances of legislation. It is mainly concerned with the public affairs of Muslims and lays out specific rules and laws to regulate civil and social dealings.

It also refers to the attainment of what is good and beneficial, which is *maslahah* (benefit/interest) and prevention of the evil and harmful that is *mafsadah* [1]. On the other hand, specific *Maqasid* or *Maqasid al-khassah* is an objective of the *Shariah* which governs a few groups of certain laws such as family laws.

Naim [7] stated that the implementation of an action in a way that is contrary to Islamic law with the excuse of meeting the objective of *Shariah* is rejected. It should be highlighted that the ultimate goal is to perform these actions in a manner guided by Islamic law. Therefore, it is important to achieve the objectives of *Shariah* in a manner that is in accordance with the Islamic law.

According to Dusuki and Bouheraoua [3], Islamic scholars such as Al-Shatibi divided the general objectives of *Shariah* into three sub categories, which are the *daruriyyat* or basic needs (necessity), the *hajiyyat* or comforts (complementary benefits) and the embellishments or *tahsiniyyat* (luxuries). Dusuki and Bouheraoua [3] further defined necessity as the elements in life that individuals are dependent upon. Human life would be incomplete if these aspects are not fulfilled. It comprises the fundamental aspects outlined in the objectives of *Shariah*, which are protection of religion, life, intellect, lineage (honor) and property. The welfare of the individuals and the society at large is established through the preservation of these elements.

Necessity has become a key requirement for human life in this world the hereafter. Complementary benefits refer to those things that are required by humans to provide comfort and harmony in life as well as to avoid hardships that result in trouble and short life span

[3]. The absence of this would not disrupt an individual's life if the aspect of necessity has been fulfilled.

Complementary benefits, in other words, focuses on the desire to restore and improve human life. It also reflects the objective of removing hardships and enhancing an individual's life. As for embellishment, it is a situation that leads towards betterment in life [4]. It denotes the interests, the realization of which results in improvement and attainment of that which is desirable.

Thus, embellishment includes customs and good manners, keeping clear of filth and bad attitudes as well as performing the recommended practices of worship [4]. However, individuals should not focus only on embellishment as it would lead to undesirable problems in life caused by the neglect of things that are necessity. Nevertheless, it is encouraged to adhere to complementary benefits and embellishment for the proper maintenance of necessity [3].

Then, Imam Al-Ghazali divided and ranked the order of needs as necessities, complementary benefits and embellishment as one of the dimensions under the objectives of the *Shariah* framework [2]. To realize the benefit, Al-Ghazali argued there are 5 main elements in realizing *mashlahah* commonly known as *al-kulliyat al-khamsah* is as follows : Maintaining religion (*hifz al din*) ; Maintaining the soul (*hifz al nafs*) ; Maintaining mind (*hifz al aql*) ; Maintaining descent (*hifz al nasl*) ; Maintain property (*hifz al mal*).

Based on some introductions above, there are several findings which the authors found in this research after discussing with Mr. Muji as the head of the Sri Mulyo farmer group who also became the main religious leader at Pendem village especially in the study of sustainable agriculture development in the concept of *maqashid syariah* whose outline can be seen in this descriptions below.

1. *Dharuriyah*

Based on the results of the discussion conducted by the author with Mr. Muji and some members of the SriMulyo farmer group found the understanding that sustainable agricultural development efforts undertaken in the research area can be regarded as a primary thing (*dharuriyah*).

That by building organic farming that can be said as a solution of sustainable agriculture development in the long term can be said as an effort to bring out *maslahah* and avoid *mufسادah* in the study of *al-kulliyat al-khamsah* including : Maintaining religion (*hifz al din*) ; Maintaining the soul (*hifz al nafs*) ; Maintaining mind (*hifz al aql*) ; Maintaining descent (*hifz al nasl*) ; Maintain property (*hifz al mal*).

- Maintaining religion (*hifz al din*)

Development of sustainable agriculture can be said as efforts to maintain religion (*hifz al din*) because based on the discussion between the authors with some respondents build sustainable agriculture can be a way to maintain nature as human obligations as a *khalifah* on this earth.

- Maintaining the soul (*hifz al nafs*)

Development of sustainable agriculture can also be said as a soul-maintenance effort (*hifz al nafs*) where based on the results of discussion between the authors with some respondents build sustainable agriculture is said to provide peace of mind to the farmers due to the belief that by building this sustainable agriculture can be a solution length to be applied.

- Maintaining mind (*hifz al aql*)

Developing sustainable agriculture conducted in the research area can be regarded as a way to preserve mind (*hifz al aql*) because of government incentives in the form of organic agriculture training conducted so that in the long term with better understanding of farmers will sustainable agriculture development efforts will further develop the intelligence and ability of the community in managing land owned farm.

- Maintaining descent (*hifz al nasl*)

Building on sustainable agriculture can be said to be a way of maintaining descent (*hifz al nasl*) because by establishing sustainable agriculture, it is said to be a way to maintain the productivity of agricultural land in the long term so that the farms owned will be used for the descendants of these peasants in the future.

- Maintaining property (*hifz al mal*)

The last one is the continuous development of sustainable agriculture that will increase the income of farming done so that the farmers will be able to avoid poverty so that it can be said as the effort to maintain the property (*hifz al mal*).

2. *Hajiyah*

Meanwhile, the second stage of *maqashid al-syari'ah* is *hajiyah* which is defined as the things needed to realize the ease and eliminate the difficulties that can cause danger and threat ie if something that should exist becomes non-existent. It can be said that the dangers that arise if *hajiyah* does not exist will not happen to a person and the damage caused does not disturb the common good. *Hajiyah* is also interpreted with a situation where if a requirement can be fulfilled it will be able to add value (*value added*) for human life

As in this study and based on the results of discussions conducted by the authors with some respondents there are some things that can be categorized as this *hajiyah* such as maintenance of water resources from drought and land damage that often occur due to conventional agricultural applications so far.

3. *Tahsiniyah*

The final stage of *maqashid al-shariah* is *tahsiniyah*, which can be interpreted as doing good habits and avoiding what is bad according to what is common sense. As in this study and based on the results of discussions conducted by the authors with some respondents research of several things such as frequent counseling and training conducted by the government associated with the program development of sustainable agriculture can be categorized as a *tahsiniyah*.

IV. CONCLUSION

Islamic economy as a way of life lately began to be studied and applied in various aspects. However, on the other hand, there is still a vacuum in which the study on Islamic economics is now more focused on the study of business, finance, and banking. While the broad outline of basic economic problems that comes from the fulfillment of needs and desires with all the implications on the long term or often referred to as sustainable development in the concept of Islamic economics is still minimal discussion. Where in this journal the authors will raise about the issue of sustainable development with the focus of studies in the farming sector which is basically much studied in the Quran about the God given agricultural blessing and human task as *khalifah* to preserve it.

Where the research area conducted found total economic value of Rp 1,123,447,422 consisting of direct benefit value, indirect benefit value, choice value, and value of existence on sustainable agriculture development efforts in one village where the research is conducted with some other derivative benefits of *dharuriyah*, *hajiyah*, and *tahsiniyah* that can be studied in the concept of *maqashid al-syariah*.

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