Escalate: Economics and Business Journal
https://journal.takaza.id/index.php/escalate
Vol. 4, no. 03, 2026, pp. 197-205
E-ISSN: 3025-4213
E-mail:escalate@takaza.id

Forms of Islamic Economics: Buying and Selling, Syirkah, Rahn, Classification of Contracts

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Article History:
Received: 09-07-2026
Revised: 10-07-2026
Accepted: 21-07-2026

Keywords: *Islamic economics, buying and selling, syirkah, rahn, contracts, muamalah, Islamic finance.*

Abstract: *Islamic economics is an economic system based on the Qur'an and Sunnah that emphasizes justice, balance, and mutual benefit in economic activities. In Islamic transactions, every contract must comply with sharia principles and avoid riba, gharar, and maisir. This article aims to explain the concepts of buying and selling (al-bai'), syirkah, rahn, and the classification of contracts as the legal foundation of Islamic economic transactions. The study employs a library research method with a qualitative descriptive approach by reviewing the Qur'an, hadith, books on Islamic economics and muamalah, DSN-MUI fatwas, legislation, and relevant scholarly literature. The findings show that buying and selling is permissible as long as it fulfills the pillars and conditions determined by sharia. Syirkah is a form of business partnership based on profit sharing and fair risk sharing. Rahn is an Islamic collateral contract that protects the interests of both parties without involving interest. Meanwhile, contracts are essential elements that determine the validity of Islamic transactions and can be classified according to their purpose, object, certainty of outcome, and legal validity. These concepts remain relevant not only in Islamic financial institutions, but also in digital commerce and MSME practices. Therefore, understanding buying and selling, syirkah, rahn, and contract classification is important to support fair, transparent, and sharia-compliant economic practices.*

How to Cite: Danis Oktafiana Sari (2026).Forms of Islamic Economics: Buying and Selling, Partnership, Rahn, Classification of Contracts 1(3). pp. 205-211https://doi.org/10.61536/escalate.v4i03.548

https://doi.org/10.61536/escalate.v4i03.548

Introduction

The increasingly rapid development of the global economy has led to the emergence of various economic systems implemented in various countries. One economic system that continues to develop and attract public attention is Islamic economics. Islamic economics is a system based on sharia values derived from the Quran and Sunnah, with the goal of creating justice, balance, welfare, and prosperity for all people. Unlike conventional economic systems that emphasize profit, Islamic economics pursues not only material aspects but also considers moral, ethical, and social responsibility dimensions in every economic activity.

Islam views economic activity as an act of worship if conducted in accordance with sharia. Therefore, every transaction must adhere to the principles of honesty, openness, justice, and mutual benefit. Furthermore, transactions in Islamic economics must avoid elements of usury (riba), gharar (uncertainty), maisir (gambling), fraud, and practices that could harm any party. These principles are the primary foundation for building an economic system that is not only productive but also oriented towards the common good.

In everyday life, people are inextricably linked to various economic activities, such as buying and selling, business partnerships, lending and borrowing, and providing collateral for debt. These activities are regulated in detail in Islamic muamalah law through various forms of contracts. Contracts play a crucial role as they serve as the basis for determining the validity of a transaction. Without a contract that complies with sharia provisions, a transaction can be deemed invalid or even prohibited in Islam.

One of the most common forms of transaction is buying and selling (al-bai'). Buying and selling is the exchange of goods or services for a certain amount of money, carried out with the consent of both parties. Islam grants its followers the freedom to engage in trade as long as they meet the established pillars and conditions. This is explained in Surah Al-Baqarah, verse 275 of the Quran, which states that Allah permits buying and selling and prohibits usury (riba). This verse serves as the primary basis for the recognition that trade is a permissible economic activity as long as it does not contain elements that contradict Islamic law.

In addition to buying and selling, Islam also recognizes the concept of syirkah, a form of business cooperation between two or more individuals with the goal of mutual profit. Syirkah provides opportunities for communities to develop businesses by pooling capital, labor, expertise, and business reputation. This system emphasizes the principles of partnership, profit sharing based on agreement, and proportional risk sharing based on each party's contribution. Thus, syirkah is a crucial instrument in promoting more inclusive and equitable economic growth.

Another form of transaction is rahn, or Islamic pawning. Rahn is a contract that uses an item as collateral for a debt, providing a sense of security for the lender without violating Islamic principles. Unlike conventional pawning systems, which generally charge interest, rahn does not allow for additional profit from the loan. The pawnholder is only permitted to cover maintenance or storage costs for the item if necessary. Therefore, rahn is an alternative financing option that aligns with the Islamic principles of justice and mutual assistance.

All transactions in Islamic economics are essentially conducted through contracts. A contract is an agreement or consensus between two or more parties that gives rise to rights and obligations in accordance with Islamic law. In practice, contracts come in various forms and classifications based on their purpose, object of the transaction, level of certainty of profit, and legal validity. Classifying contracts is important because each type has distinct characteristics, provisions, and legal consequences. Understanding contract classifications will help people choose the type of transaction that best suits their needs while remaining within the bounds of sharia.

With the development of the Islamic finance industry, Islamic banking, Islamic cooperatives, Islamic pawnshops, and various Sharia-based digital business platforms, understanding the forms of Islamic economics is becoming increasingly important. The various Islamic financial products currently in development essentially utilize contracts recognized in Islamic jurisprudence, such as murabahah, mudharabah, musyarakah, ijarah, salam, istishna', and rahn. Therefore, the public is required not only to understand these concepts theoretically but also to be able to implement them in everyday economic activities.

Despite the rapid growth of the Islamic economy in Indonesia, many people still don't understand the difference between Sharia-compliant and conventional transactions. Many business owners also lack the knowledge to properly apply contracts in their business activities. This situation demonstrates the need for improved Sharia economic literacy to enable the public to conduct economic activities in accordance with Islamic principles and support the growth of the national halal industry.

Based on this description, a discussion of the forms of Islamic economics, particularly buying and selling, syirkah, rahn, and the classification of contracts, is crucial. A comprehensive understanding of the concepts, legal basis, pillars, requirements, types, and implementation is expected to provide broader insight into Islamic economic practices and encourage the implementation of a fair, transparent, responsible, and ummah-oriented economic system.

Based on the background that has been described, this article discusses several main issues in Islamic economics, namely the concept of buying and selling (al-bai') along with its legal basis, pillars, conditions, and types; the concept of syirkah as a form of business cooperation according to Islamic law; the concept of rahn along with its implementation mechanism and its differences from conventional pawning; the classification of contracts based on their purpose, object, certainty of results, and legal validity; and the implementation of buying and selling, syirkah, rahn, and various forms of contracts in the development of Islamic economics in Indonesia. The discussion of these aspects is expected to provide a comprehensive picture of the basic principles of transactions in Islamic economics.

In line with the formulation of the problem, the purpose of writing this article is to explain the concept of buying and selling in Islamic economics along with its legal basis, pillars, conditions, and types; describe the concept of syirkah as a form of business cooperation in accordance with Islamic law; explain the concept of rahn as a debt collateral contract and its implementation mechanism; analyze the classification of contracts in Islamic economics based on various legal aspects and practices; and provide an understanding of the implementation of various forms of Islamic economic transactions in the lives of society and Islamic financial institutions. Thus, this article is expected to be able to provide a systematic understanding of muamalah practices in accordance with Islamic principles.

This article is expected to provide both theoretical and practical benefits. Theoretically, this article is expected to enrich the scientific knowledge in the field of Islamic economics, particularly regarding the concepts of sale and purchase, syirkah, rahn, and the classification of contracts, and serve as a reference for students, academics, and researchers in the study of Islamic economics and muamalah jurisprudence. Practically, this article is expected to increase public understanding of transaction procedures in accordance with Sharia principles so that they can be applied in everyday life. Furthermore, this article is also expected to be a consideration for business actors and Islamic financial institutions in selecting and implementing contracts in accordance with Islamic law. It is also expected to serve as a learning reference in courses on Islamic Economics, Muamalah Jurisprudence, and Islamic Banking.

Research methods

This study uses library research with a qualitative descriptive approach. This method was chosen because the discussion focuses on conceptual studies of Islamic economic forms, including buying and selling (al-bai'), syirkah (shariah), rahn (lease), and the classification of contracts as regulated in muamalah jurisprudence and applied in Islamic economic practice. The analysis was conducted through a review of various literature sources related to Islamic economics to gain a systematic understanding of the concepts, legal basis, pillars, requirements, types, and implementation of various contracts in economic activities.

https://doi.org/10.61536/escalate.v4i3.548

The main instruments in this research are documents or library materials relevant to the research topic. Data sources were obtained from the Qur'an, hadith, books on Islamic economics and muamalah jurisprudence, Fatwa of the National Sharia Council of the Indonesian Ulema Council (DSN-MUI), Law of the Republic of Indonesia Number 21 of 2008 concerning Sharia Banking, and various literature that became references in this research, including the works of Antonio (2001), Chapra (2000), Ascarya (2011), Djuwaini (2010), Karim (2010; 2017), Fauzia and Riyadi (2014), Muhammad (2014; 2016), Nafis (2015), Qardhawi (1997), Rivai and Buchari (2013), Suhendi (2016), Al-Zuhaili (2011), and the books of Sahih Al-Bukhari and Sahih Muslim. The collected data was then analyzed descriptively through a process of reviewing, grouping, and interpreting the contents of the literature so that a comprehensive description of the concepts of buying and selling, syirkah, rahn, and classification of contracts in Islamic economics was obtained.

This library research does not use a population and sample in the statistical sense as in field research. The research objects are various literature sources directly related to the discussion of Islamic economic forms. Therefore, the literature used was selected based on its suitability to the research focus, namely literature discussing the concepts of buying and selling, syirkah, rahn, and akad from an Islamic economic perspective, as listed in the bibliography.

The research procedure begins with identifying issues related to the forms of Islamic economics based on the research background. Next, various relevant literature sources are collected. Each source is then studied, classified, and adapted to the focus of the discussion, which includes the basic concepts of Islamic economics, buying and selling, syirkah, rahn, and the classification of contracts. The next stage is to analyze the content of each literature to gain a comprehensive understanding of the legal basis, characteristics, and implementation of each concept. The results of the analysis are then systematically compiled in the form of descriptive explanations to produce a discussion that aligns with the research objectives and provides an overview of the application of Islamic economic principles in muamalah activities.

Results and Discussion

Basic Concepts of Islamic Economics

Islamic economics is an economic system based on Islamic teachings derived from the Quran, Sunnah, consensus (ijma'), and analogy (qiyas). This system aims to create a balance between individual and societal interests while maintaining the values of justice, honesty, responsibility, and the common good. Unlike conventional economics, which generally focuses on maximizing profits, Islamic economics prioritizes holistic well-being (falah), namely, well-being in this world and the hereafter.

In Islamic economics, every economic activity is categorized as part of muamalah, namely interpersonal relationships in the social and economic spheres. Therefore, every transaction must comply with sharia principles, including mutual consent (an taradhin minkum), freedom from usury (riba), gharar (uncertainty), gambling (maisir), fraud (tadlis), monopoly, and actions that harm one party.

The application of these principles aims to create an economic system that is fair, transparent, and able to provide benefits to all levels of society.

Buying and Selling (Al-Bai')

1. Definition of Buying and Selling

Buying and selling (al-bai') is a contract for the exchange of goods or services for a specified price, based on the mutual consent of the seller and buyer. From a muamalah jurisprudence perspective, buying and selling is one of the most widely used contracts, as nearly all trade activities utilize this mechanism.

https://doi.org/10.61536/escalate.v4i3.548

Islam permits buying and selling activities because they can fulfill human needs and stimulate economic growth. However, these transactions must comply with sharia requirements and regulations to avoid any prohibited elements.

2. Legal Basis for Sale and Purchase

The legal basis for buying and selling is found in the Al-Qur'an Surah Al-Baqarah verse 275:
"Allah has permitted buying and selling and prohibited usury."
Apart from that, Allah SWT also says in Surah An-Nisa verse 29 which explains that every transaction must be carried out on the basis of mutual consent between the parties.
The Prophet Muhammad also said:
"Honest and trustworthy merchants will be with the prophets, the righteous, and the martyrs." (HR. Tirmidhi)
This hadith shows that Islam highly values trading activities carried out with honesty and trustworthiness.

3. Pillars of Buying and Selling

According to the majority of scholars, the pillars of buying and selling consist of:

A. Seller (ba'i).
B. Buyer (musytari).
C. Goods that are traded (mabi').
D. Price (tsaman).
E. Ijab and kabul as a form of agreement.

These five pillars must be fulfilled for a transaction to be considered valid according to Islamic law.

4. Terms of Sale and Purchase

Some of the buying and selling conditions that must be met include:

A. The seller and buyer are legally competent.
B. The goods are the property of the seller.
C. The goods have benefits and are not included as prohibited goods.
D. Goods can be handed over to the buyer.
E. Prices are clearly known.
F. There is no element of fraud or ambiguity.

If one of these conditions is not met, then the transaction can become void or false according to the provisions of Islamic jurisprudence.

5. Types of Buying and Selling

In Islamic economic practice, several forms of buying and selling are known, namely:

A. Bai' Musawamah
Ordinary buying and selling where the price is determined through a bargaining process.

B. Murabahah
The seller explains the cost of the goods along with the profits taken. This contract is widely used in sharia banking financing.

C. Regards
Payment is made in advance, while the goods are delivered at a later date.

D. Istishna'
An agreement to order goods that must be produced in advance according to the buyer's specifications.

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6. Prohibited Buying and Selling

Islam prohibits several forms of buying and selling, including:

A. Selling illegal goods.
B. Selling items that are not yet owned.
C. Buying and selling that contains gharar.
D. Buying and selling with elements of usury.
E. Hoarding of goods (ihtikar).
F. Fraudulent practices (tadlis).

This prohibition aims to maintain fairness and protect the rights of parties in transactions.

7. Implementation of Buying and Selling in the Modern Era

Technological advancements have given rise to electronic commerce (e-commerce). From a Sharia perspective, online transactions are permissible as long as they meet the principles of transparency, clarity of the transaction object, clarity of price, and the consent of both parties. Therefore, buying and selling through digital platforms remains valid as long as it does not involve fraud or practices prohibited by Sharia.

Partnership

1. Understanding Syirkah

A partnership is a cooperative agreement between two or more people who combine capital, labor, or expertise to run a business with the goal of mutual profit. The concept of partnership reflects the values of togetherness, fairness, and risk-sharing that are key characteristics of Islamic economics.

2. Legal Basis of Syirkah

Allah SWT states in Surah Sad, verse 24, that many partners commit injustice among themselves, except those who believe and do righteous deeds. This verse indicates that cooperation is permissible as long as it is based on honesty and justice. The Prophet Muhammad (peace be upon him) also said that Allah will be the third party in any cooperation as long as the parties do not betray each other.

3. Pillars of Partnership

The pillars of partnership include:

A. The parties who cooperate.
B. Capital or contribution.
C. Business object.
D. Agreement (contract).

4. Types of Syirkah

Syirkah consists of several forms, namely:

A. **Syirkah Inan**, namely cooperation with different amounts of capital.
B. **Mufawadhah Partnership**, namely all parties have the same capital and responsibilities.
C. **Abdan Company**, namely cooperation based on expertise or manpower.
D. **Syirkah Wujuh**, namely cooperation based on reputation or trust.
E. **Mudharabah Partnership**, namely cooperation between capital owners and business managers.

5. Benefits of Syirkah

Syirkah provides various benefits, including:

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A. Raise larger capital.
B. Reduce business risks.
C. Increase productivity.
D. Expanding employment opportunities.
E. Encourage economic growth in the community.

6. Implementation of Syirkah

Currently, syirkah contracts are widely applied in Islamic banks through musyarakah and mudharabah financing, Islamic cooperatives, partnership-based companies, and micro and small businesses.

Rahn

1. Understanding Rahn

Rahn is a contract for the transfer of an item as collateral for a debt, providing the lender with assurance that their debt can be repaid. This contract aims to provide protection to both parties without involving interest.

2. Legal Basis of Rahn

The legal basis for rahn is found in Surah Al-Baqarah, verse 283, which explains the permissibility of collateral in debt transactions. Furthermore, the Prophet Muhammad (peace be upon him) once pawned his armor to a Jew as collateral for the purchase of food.

3. Pillars of Rahn

The pillars of rahn consist of:
A. Rahin (pawnbroker).
B. Murtahin (pawn recipient).
C. Marhun (collateral).
D. Marhun bih (debt).
E. Contract.

4. Rahn Conditions

The goods used as collateral must:
A. Has economic value.
B. It is the legal property of the pawnbroker.
C. Can be submitted.
D. The condition and value are known.

5. Differences between Rahn and Conventional Pawn

The main difference lies in the reward system. In a rahn, there is no interest on the loan. The institution is only permitted to charge maintenance and storage fees based on the actual costs incurred. In contrast, in a conventional pawn system, interest or fees are usually calculated based on the loan amount.

6. Rahn Implementation

In Indonesia, the rahn contract is implemented by Pegadaian Syariah and various Islamic financial institutions as a form of short-term financing that is in accordance with Islamic principles.

Classification of Contracts

https://doi.org/10.61536/escalate.v4i3.548

1. Definition of Contract

A contract is an agreement between two or more parties that creates rights and obligations in accordance with Islamic law. Contracts serve as the legal basis for all transactions in Islamic economics.

2. Pillars of the Contract

The pillars of the contract consist of:

A. The parties to the contract.
B. Object of the contract.
C. Purpose of the contract.
D. Acceptance and acceptance.

3. Classification of Contracts Based on Purpose

Contracts in Islamic economics are divided into two main groups.

A. Tabarru' Contract

Contracts that aim to provide assistance or good deeds without expecting profit, such as grants, endowments, qardh, and rahn.

B. Tijarah Agreement

Contracts that aim to obtain halal profits, such as murabahah, salam, istishna', ijarah, musyarakah, and mudharabah.

4. Classification Based on Certainty of Results

A. **Natural Certainty Contract (NCC)**, namely contracts with profits that are known from the start, such as murabahah and ijarah.
B. **Natural Uncertainty Contract (NUC)**, namely a contract with profits that depend on business results, such as musyarakah and mudharabah.

5. Classification Based on Validity

According to fiqh, a contract consists of:

A. Valid contract.
B. Fasid contract.
C. Void contract.

6. The Role of Contracts in Islamic Financial Institutions

Contracts are the operational foundation of Islamic financial institutions. Every financing product, fundraising product, and financial service must use contracts that comply with Sharia provisions. Therefore, selecting the right contract is crucial for maintaining Sharia compliance, increasing public trust, and supporting the development of the Islamic financial industry in Indonesia.

Analysis

Buying and selling, syirkah (Islamic partnership), rahn (Islamic loan), and various forms of contracts are the main instruments in the Islamic economic system. These four concepts not only regulate economic relations between individuals but also establish fair, transparent, and accountable transaction mechanisms. In the modern economic context, these principles remain relevant for application in digital commerce, business financing, sharia-compliant investments, sharia-compliant cooperatives, and sharia-compliant banking and pawnshop services. With the growing growth of the halal industry and increasing public awareness of sharia-compliant finance, understanding the various forms of Islamic economics is essential to ensure that economic activities are conducted in accordance with sharia principles and provide optimal benefits to society.

https://doi.org/10.61536/escalate.v4i3.548

Conclusion

The conclusion from the above data is that economic cooperation between Indonesia, Malaysia, and Vietnam in the tea plantation sector has a strong and important relationship for the economies of both countries. Indonesian tea production, exports, and imports show interesting trends, with black tea dominating both exports and imports. The tea plantation sector has a significant contribution to the Indonesian economy, with

West Java Province is the largest producer. Smallholder plantations also play a role in increasing tea production in Indonesia. Indonesian tea exports are dominated by black tea, with Malaysia, Russia, and the United States being the three largest importers of Indonesian tea. International trade between Indonesia, Malaysia, and Vietnam has a strong and important relationship in the economies of both countries. Both countries share a wide range of traded goods, including palm oil, rubber, electronics, plantations, and other agricultural products. Trade policies, such as free trade agreements and economic partnerships, also influence trade flows between the two countries.

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