



# IJARAH-BASED LAND MANAGEMENT FOR RURAL LIVESTOCK ENTERPRISES: A CASE STUDY OF BUMDES MUTIARA WELIRANG IN KETAPANRAME VILLAGE

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## ABSTRACT

*This study presents a case analysis of community economic empowerment through the application of the ijarah system in livestock land management by the Village-Owned Enterprise (BUMDes) Mutiara Welirang in Ketapanrame Village. The research is grounded in the need for productive and sharia-compliant management of village assets to improve community welfare. BUMDes Mutiara Welirang facilitates land lease agreements using ijarah contracts with local residents as a strategic effort to support livestock farming and promote local economic independence. This study aims to examine the implementation of the ijarah contract in land management, analyze its contributions to community economic empowerment, and evaluate its alignment with the ethical and justice-based principles of Islamic economics. Employing a qualitative approach with a case study method, this research provides an in-depth exploration of the socio-economic dynamics in the field. The findings reveal that the ijarah system, when applied transparently and fairly, fosters active community participation in livestock-based enterprises, enhances village economic resilience, and embodies Islamic values in local economic practices. This study contributes to a deeper understanding of asset-based and sharia-compliant empowerment models in rural development contexts.*

**Keywords:** community economic empowerment; Village-Owned Enterprises (BUMDes); ijarah system; Islamic economics; rural development

## INTRODUCTION

Human beings are inherently social creatures who live, grow, and develop within a social context. From birth, individuals engage in a web of relationships within families, among friends, and across communities that significantly influence their development and worldview. These social environments encompass various dimensions such as family structure, culture, education, and economic activities, all of which play a crucial role in shaping personal identity and collective behavior. Interpersonal relationships give rise to complex networks of interdependence that



manifest in political, economic, legal, and social domains. This interdependence underscores the fundamental human need for social interaction and collaboration, which is essential not only for overcoming individual and collective challenges but also for achieving shared goals. Cooperation and mutual support among individuals and institutions form the foundation for sustainable well-being at both the personal and community levels.

As Jim Ife, cited in Zubaedi's work, states, "*Empowerment means providing people with the resources, opportunities, knowledge, and skills to increase their capacity to determine their own future, and to participate in and affect the life of their community.*" Empowerment, in this context, is a process that grants individuals or groups access to the necessary tools resources, opportunities, knowledge, and competencies that enable them to expand their agency. It allows them not only to make informed decisions about their own lives but also to participate meaningfully in shaping their communities. More importantly, empowerment enables individuals and groups to act as agents of social transformation, moving beyond passive roles as recipients of aid to active contributors in improving the conditions of their surroundings.<sup>1</sup>

From the perspective of *muamalah* (social transactions in Islam), human beings are regarded as interdependent social entities who rely on one another to fulfill various dimensions of life, particularly in economic affairs. Islam, as a comprehensive way of life, regulates not only spiritual matters but also provides a strong normative foundation for managing social and economic interactions. The Islamic economic system seeks to integrate conventional economic mechanisms with the values of Islamic faith (*aqidah*) and ethics, thereby fostering a balance between material interests and spiritual well-being. Grounded in the framework of *maqāṣid al-sharī'ah* (the objectives of Islamic law), the empowerment of Muslim communities in the economic sphere aims fundamentally at improving the quality of life through the pursuit of economic self-reliance. This involves strategic efforts to achieve social welfare and security by encouraging the development of productive and sustainable economic enterprises. Within this context, the *Desa Maslahat* (Prosperous Village) Program emerges as an initiative designed to identify, develop, and optimize each village's unique local potential. This program seeks to promote the creation of superior local products, grounded in community resources, as a tangible form of holistic empowerment—anchored in Islamic ethical and social values.<sup>2</sup>

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<sup>1</sup> M.Ag. Dr. Zubaedi, 'Pengembangan Masyarakat : Wacana Dan Praktik' (Jakarta: Kencana Prenada Media Group, 2013).

<sup>2</sup> Abdillah Mundir, 'Satrya Emas Sebagai Pendukung Suksesnya Program Desa Maslahat Di Kabupaten Pasuruan', *Proceedings AnCoMS*, 110, 2017, 564–73.

In Islamic thought, ethics serve as the fundamental cornerstone of all economic activities, including business practices. Business is not solely driven by the pursuit of material profit, but must also embody values of faith (*iman*) and piety (*taqwa*). Entrepreneurs and business actors are expected to uphold principles such as honesty, trustworthiness (*amanah*), justice, and mutual respect. Practices that contradict these values such as fraud, unlawful acquisition of others' rights, labor exploitation, and arbitrary or oppressive actions are unequivocally prohibited in Islamic teachings<sup>3</sup>. Islam emphasizes that ethically conducted business is not only a form of worship (*'ibādah*), but also a means of realizing collective welfare (*al-maṣlahah al-'ammah*). This ethical framework demands both professionalism and competence in business operations, alongside strict adherence to Islamic legal norms and divine commandments. Accordingly, Muslim business practitioners must understand that economic activities are to be conducted within the boundaries of *shari'ah*, which prioritize human dignity, social justice, and moral accountability.

A critical component of economic transactions in Islamic jurisprudence (*fiqh al-mu'amalah*) is the necessity of a valid *'aqd* (contract or agreement) between the involved parties. The *'aqd* constitutes the legal and ethical basis of a transaction. Without a clearly defined and mutually agreed-upon contract, a transaction cannot be considered valid under Islamic law.<sup>4</sup> The Qur'an repeatedly underscores the importance of clarity, mutual consent, and fairness in all forms of contractual engagements, ensuring that the rights and obligations of each party are preserved and respected.

As stipulated in Article 20 of the Compilation of Sharia Economic Law (*Kompilasi Hukum Ekonomi Syariah*, KHES), a contract (*'aqd*) is defined as an agreement formed between two or more parties to carry out or refrain from a specific legal action.<sup>5</sup> In Islamic economic systems, the *'aqd* holds a central and foundational role, as it determines the legal validity of *mu'amalah* (socio-economic transactions). Through contractual agreements, various economic activities ranging from trade, leasing, and service provision to business partnerships can be conducted in an orderly manner with legal legitimacy.<sup>6</sup>

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<sup>3</sup> Ifdlolul Maghfur, 'Peran Akhlak Syariah Dalam Ekonomi Bisnis Global (Perspektif Al-Qur'an Dan Al-Hadist)', *MALLA: Jurnal Ekonomi Islam*, 9.2 (2018), 259–80

<sup>4</sup> Koko Khaerudin and Hariman Surya Siregar, *Fiqh Mu'amalah Teori Dan Implementasi*, Pt Remaja Rosdakarya, 2019.

<sup>5</sup> Mahkamah Agung RI, *Kompilasi Hukum Ekonomi Syariah* (Mahkamah Agung RI Direktorat Jendral Badan Peradilan Agama, 2011)

<sup>6</sup> Moh. Mukhsinin Syu'aibi and Ifdlolul Maghfur, 'Implementasi Jual Beli Akad Istishna' Dikonveksi Duta Collection'S Yayasan Darut Taqwa Sengonagung', *Malia (Terakreditasi)*, 11.1 (2019), 139–50

One type of contract that relevance for community needs is the *ijarah* contract. *Ijarah* refers to a contractual arrangement commonly employed to access services or the use of goods, including in the leasing of property, employment contracts, and the provision of services in sectors such as hospitality, transportation, and public utilities.<sup>7</sup> According to Islamic jurisprudence, *ijarah* is defined as a contract to obtain the usufruct (*manfa'ah*) of an asset or service owned by another party in exchange for a mutually agreed payment, provided that the essential pillars (*arkan*) and conditions (*shurut*) outlined in *fiqh al-mu'amalah* are met.

Beyond its juridical structure, the *ijarah* system possesses a vital socio-economic dimension, especially in efforts to empower economically disadvantaged or vulnerable groups with limited access to capital. Through this sharia-compliant leasing mechanism, communities are able to access productive resources such as agricultural land, livestock, or tools without requiring full ownership of these assets. This approach provides rural populations with opportunities to improve productivity and economic welfare through initiatives rooted in local potential.

One notable institutional innovation supporting such empowerment schemes is the Village-Owned Enterprise (*Badan Usaha Milik Desa*, or BUMDes). BUMDes functions as a collectively owned village enterprise that manages local assets and resources in a productive and sustainable manner. In practice, BUMDes can adopt business models based on *ijarah* contracts, particularly in strategic sectors such as agriculture and livestock. In doing so, BUMDes serves a dual role—as both an economic actor and a facilitator enabling villagers to actively participate in economic activities that align with Islamic ethical and legal principles.

Ketapanrame Village has experienced significant population growth in recent years, which has directly impacted the availability of land for various productive activities, including livestock farming. This demographic pressure has led many residents to raise livestock in close proximity to their residential areas. However, such practices have resulted in several environmental concerns, including unpleasant odors, water contamination, and the risk of disease transmission due to poorly managed livestock waste. In response to these challenges, the Village-Owned Enterprise (BUMDes) *Mutiara Welirang* initiated the provision of dedicated land for livestock activities through a lease-based scheme. This initiative aims not only to relocate livestock operations away from densely populated residential zones to more appropriate areas, but also to provide opportunities for small-scale farmers who lack land ownership to continue their livestock businesses. The leasing system

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<sup>7</sup> Akhmad Farroh Hasan and M Si, *Fiqh Muammalah Dari Klasik Hingga Kontemporer (Teori Dan Praktek)* (Malang: UIN-Maliki Malang Press).

also contributes to the village economy through rental income received by the BUMDes, which can be reinvested in sustainable village enterprise development.

Nonetheless, the system faces notable challenges, particularly in maintaining rental fees at levels affordable to all farmers, especially those with limited financial resources. This underscores the need for a sharia-based economic approach in structuring a lease system that is just, transparent, and equitable. The *ijarah* contract, as the Islamic legal framework for leasing agreements, provides a normative structure that can guide and evaluate land lease practices in a more ethical and welfare-oriented manner. Against this backdrop, the present study aims to analyze the implementation of *ijarah* contracts in the management of livestock land leases by BUMDes *Mutiara Welirang*, and to assess the extent to which this system contributes to community economic empowerment, particularly for livestock farmers. Specifically, the research focuses on two core objectives: (1) identifying enabling and constraining factors in the application of land lease systems for community economic empowerment, and (2) examining the *ijarah* contract from an Islamic economic perspective in the context of livestock land leasing in Ketapanrame Village. Through this analysis, the study seeks to propose practical and sustainable solutions for developing a livestock management system that is productive, fair, and in accordance with Islamic principles.

## RESEARCH METHODOLOGY

This study adopts a qualitative approach with the aim of gaining an in-depth understanding of the implementation of the *ijarah* contract in the management of livestock land leasing by the Village-Owned Enterprise (BUMDes) *Mutiara Welirang* in Ketapanrame Village. The qualitative method was selected because it allows the researcher to explore the meanings, experiences, and perceptions of research subjects within their real social contexts. Rather than focusing on the generalization of findings, this research emphasizes deep comprehension of the processes, interactions, and value systems underlying the application of sharia-based economic practices at the local level.<sup>8</sup>

Data were collected through direct field observation and in-depth interviews with key informants, including the head of livestock land management, the Village Head of Ketapanrame, and several local community members directly involved in the land leasing practices. All data used in this study are primary data, obtained through first-hand interaction and observation in the field, allowing the researcher to capture real conditions and community perspectives.

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<sup>8</sup> Sukanto and Siti Musfiqoh, *Metodologi Penelitian Ekonomi Syariah* (Malang: PT. Literasi Nusantara Abadi Grup, 2024).

The analysis of data was carried out using the interactive model developed by Miles and Huberman, which involves four stages: data collection, data reduction, data display, and conclusion drawing with continuous verification.<sup>9</sup> This analytical process enables the researcher to systematically process qualitative data, distill essential patterns, and interpret the meaning of the findings while ensuring validity and coherence. Through this approach, the study aims to present a comprehensive portrayal of how the *ijarah* contract mechanism is implemented in a rural context, and how it contributes to community economic empowerment in accordance with the principles of Islamic economics.

## RESULTS AND DISCUSSION

Ketapanrame Village is located in the mountainous region of Trawas Subdistrict, Mojokerto Regency, approximately 0.5 kilometers from the subdistrict center and about 45 kilometers from the regency capital. The village comprises three hamlets Ketapanrame, Sukorame, and Slep, which historically existed as separate entities but were later unified into a single administrative village based on an agreement among local elders. The majority of the village's population depends on agriculture, livestock farming, and trade as their primary sources of livelihood. In supporting local economic development, *BUMDes Mutiara Welirang* functions as a strategic business entity responsible for managing and optimizing the village's local economic potential.

This Village-Owned Enterprise oversees multiple business units, including drinking water management, environmental sanitation, kiosk and livestock facility operations, village tourism, as well as savings and loan services and partnership programs. These business units are managed in a participatory and sustainable manner to promote economic self-reliance among the village community. One of the key contributions of *BUMDes Mutiara Welirang* is the provision and management of dedicated livestock land, which serves as a critical foundation for the development of local agribusiness initiatives. This initiative addresses not only the issue of limited private land ownership among villagers but also functions as a mechanism to strengthen food security and expand employment opportunities within the rural economy. Through the collective management of livestock resources, the village benefits from increased productivity, improved environmental conditions, and broader community engagement in sharia-compliant economic practices.

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<sup>9</sup> Miles, M. B., & Huberman, A. M. (1994). *Qualitative Data Analysis: An Expanded Sourcebook* (2nd ed.). Thousand Oaks, CA: Sage Publications.

### Supporting Aspects of Ijarah Scheme Implementation in Village Livestock Enterprises

The successful implementation of the *ijarah* scheme in livestock farming in Ketapanrame Village can be attributed to several supporting factors of a structural, social, and administrative nature. Based on interviews with the Village Head and livestock facility managers, four primary elements were identified as contributing to the continuity of the program: village-level regulations, BUMDes institutional capacity, land availability, and community participation.

Zainul Arifin, the Village Head of Ketapanrame, emphasized:

*“The supporting factors include village regulations concerning the use of tanah kas desa (village-owned land), which is managed by BUMDes for the benefit of local residents. Second, the presence of BUMDes as the implementing body of village programs aimed at improving the local economy by providing facilities for livestock farmers. Third, the availability of land—without which this initiative would not be possible. And fourth, the involvement of the villagers themselves—without community participation, the program would not succeed.”*<sup>10</sup>

This statement underscores the critical role of formal village regulations as the legal basis for the productive use of village-owned assets. Such regulations enable public resources to be utilized for the common good through lease mechanisms. Within this framework, *BUMDes Mutiara Welirang* serves both as the technical executor and as a facilitator that bridges the village government and community members, thus establishing an effective and accountable governance structure. Moreover, the provision of designated land for livestock farming is a crucial prerequisite for supporting villagers’ productive activities. The allocation of official livestock areas prevents residents from raising animals near their homes, thereby reducing the risk of environmental degradation and enabling a more organized livestock zone. Equally important is the high level of community participation, which reflects strong social engagement a fundamental element in any empowerment process.

Administrative support further reinforces the program’s success. Herwanto, a staff member managing kiosks and livestock facilities, explained:

*“The community greatly benefits from having access to land for livestock farming, which provides them with livelihood opportunities. In addition, support from the village government, especially in administrative services, is a key factor for us—for example, in facilitating permits and paperwork.”*<sup>11</sup>

This illustrates how administrative convenience such as lease documentation and business licensing plays a vital role in creating a more orderly and trustworthy leasing system. Efficient

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<sup>10</sup> Zainul Arifin, wawancara, 2025

<sup>11</sup> Herwanto, wawancara, 2025

administrative processes also provide villagers with a sense of legal security, encouraging them to sustain their businesses over the long term.

These findings reveal that, beyond land availability, the active support of the village government particularly in the form of responsive administrative services is a crucial element in promoting community economic empowerment. In line with the public service theory proposed by Osborne and Gaebler (1992), local governments should act as facilitators rather than bureaucratic obstacles to allow grassroots economic and social innovation to flourish.<sup>12</sup> This is evident in the Ketapanrame case, where efficient administrative services such as streamlined lease agreements, livestock operation permits, and business documentation have contributed to a more legally compliant and supportive entrepreneurial environment. Access to responsive public services fosters legal confidence and enhances villagers' motivation to engage actively in the program.

Furthermore, the leasing model managed by BUMDes through the *ijarah* scheme is not merely transactional, but also participatory and empowerment-oriented. According to Jim Ife's theory of community empowerment (2002), genuine empowerment occurs when local communities are not only granted access to resources, but are also involved in decision-making and management processes.<sup>13</sup> This program embodies that principle, as the community functions not only as beneficiaries but also as key actors within the village's economic cycle. The use of *ijarah* ensures that rights and responsibilities between BUMDes as the landowner and villagers as tenants are defined through transparent, fair, and mutually agreed contracts. This model reflects the Islamic principle of *ta'awun* (mutual cooperation) and fosters a more equitable and just social structure.

More broadly, the *ijarah*-based land management system aligns with the core objectives of *maqāṣid al-sharī'ah*, particularly in preserving wealth (*hifẓ al-mal*) and promoting public welfare (*maṣlaḥah*). Legal and productive access to land enables residents to secure sustainable livelihoods, ultimately contributing to improved community welfare and village economic resilience. Thus, this program not only aims for short-term benefits but also builds a foundation for long-term social and economic sustainability rooted in participation and mutual trust.

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<sup>12</sup> Y. Sahyana, *Peran Pemerintah dalam Pemberdayaan Masyarakat Desa (Studi Pada Desa Sukamulya Kecamatan Pakenjeng Kabupaten Garut)*, Jurnal Manajemen Pemerintahan, IPDN, Vol. 8, No. 2 (2017), hlm. 73–88. Tersedia di: <http://ejournal.ipdn.ac.id/JTP/article/view/618/414>.

<sup>13</sup> M. Syafar, *Sistem Akad Ijarah antara Badan Usaha Milik Desa (BUMDes) Wani Satu dengan Pertamina* *Pertashop: Perspektif Ekonomi Islam*, Repository UIN Datokarama, 2023. Tersedia di: <https://repository.uindatokarama.ac.id/id/eprint/3618/1/MOH.%20SYAFAR.pdf>



## Hindering Factors in the Implementation of the *Ijarah* Scheme in Village Livestock Enterprises

Despite the relative success of the *ijarah*-based livestock leasing scheme in empowering the local economy of Ketapanrame Village, several obstacles have been identified that hinder its optimal implementation. Field data collected through interviews with the Village Head and livestock unit staff revealed four primary issues: inadequate supporting infrastructure, limited financial capital, low human resource capacity, and suboptimal waste management.

Zainul Arifin, the Village Head of Ketapanrame, noted:

*“Facilities are still inadequate, including supporting equipment. Second, capital funding is limited because BUMDes does not operate purely on a profit-oriented basis. BUMDes was established not solely for profit but to serve social functions. Third, many livestock farmers using the facilities lack sufficient human resource capacity.”<sup>14</sup>*

This statement highlights that infrastructural limitations remain a critical challenge, particularly regarding the availability of essential tools and facilities for efficient livestock operations. Facilities such as irrigation systems, cleaning equipment, and standardized pens are either lacking or insufficient, thereby limiting productivity. In addition, financial constraints are a significant concern. Since *BUMDes* is oriented toward both social impact and limited profit, its financial capacity to expand infrastructure or offer direct support to farmers is restricted.

Another major barrier lies in the human capital deficit. Many local livestock farmers have not yet acquired the technical or managerial skills necessary to run their businesses effectively. According to Robert Chambers’ theory of community development (1997), successful empowerment requires competency-based participation, where communities are not only physically involved but also equipped with the capacity to contribute meaningfully and sustainably. Without proper training and capacity building, community involvement risks becoming superficial and ineffective in generating genuine economic transformation.

Furthermore, poor waste management remains a pressing issue. Herwanto, a livestock unit manager, stated:

*“There are a few who fail to dispose of livestock waste regularly each year. As a result, the waste accumulates and affects neighboring farmers, creating internal problems—especially during the rainy season.”*

This points to the weakness in sanitation and oversight systems within livestock operations. Irregular waste disposal not only poses environmental risks but also fosters tension among farmers,

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<sup>14</sup> Zainul Arifin, wawancara, 2025

particularly during rainy periods when waste disperses more easily. From a sustainable development perspective, effective waste management is essential to local economic continuity. Inadequate waste handling systems can stall business growth, damage social cohesion, and erode public trust in village governance structures.

Given these challenges, several strategic measures are necessary to overcome the barriers identified. *First*, the improvement of infrastructure and essential livestock facilities must be prioritized, either through village budget allocations, institutional collaboration, or corporate social responsibility (CSR) initiatives. *Second*, strengthening BUMDes' financial capacity through the expansion of more profitable business units could allow it to cross-subsidize social and community-oriented programs. *Third*, capacity building for livestock farmers particularly in technical skills, business management, and sharia-based entrepreneurship is critical to ensure that they not only rely on land provision but are also capable of managing their operations independently and professionally.<sup>15</sup>

Finally, a standardized waste management system should be implemented, including clear internal regulations, regular cleaning schedules, and accessible technologies for waste processing. From the perspective of Islamic economics, such improvements align with the principles of *maṣlahah* (public benefit) and *ḥifẓ al-bi'ah* (environmental protection), which emphasize collective responsibility in preserving ecological sustainability. By addressing these constraints, the implementation of the *ijarah* scheme in the village livestock program can be made more effective, impactful, and sustainable in the long term.

### **The Perspective of Islamic Economics on the Application of the *Ijarah* Contract in the Livestock Land Leasing System in Ketapanrame Village**

Within the framework of Islamic economics, the practice of land leasing implemented by BUMDes in Ketapanrame Village can be analyzed through the lens of the *ijarah* contract. *Ijarah* refers to a legal agreement that transfers the right to use an asset (*manfa'ah*) for a predetermined period in exchange for an agreed-upon payment (*ujrah*), without transferring ownership of the asset itself. This is in accordance with the fatwa of the National Sharia Council (Fatwa No. 09/DSN-MUI/IV/2000), which defines *ijarah* as a contract involving the transfer of usage rights over goods or services for a specific time and price, without conveying ownership of the object.

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<sup>15</sup> PA Imran & I Rosadi, *Optimalisasi Penguatan Keuangan BUMDes dalam Mendukung Kemandirian Desa Rosoan, Kab. Enrekang*, Decision: Jurnal Ekonomi dan Bisnis, Vol. 6, No. 1 (2025), hlm. 12–22. diakses melalui: <https://jurnal.umpar.ac.id/index.php/decision/article/download/3577/2287>

The application of the *ijarah* scheme in Ketapanrame adheres to several core principles of Islamic contracts:

#### 1. Mutual Consent (*An-Tarāḍin*)

Mutual consent from both parties lessor (*mu'jir*) and lessee (*musta'jir*) is a fundamental requirement for the validity of any Islamic contract (*muamalah*). The agreement must be made voluntarily and without coercion, ensuring fairness and transparency. This principle is supported by the Qur'anic verse in Surah An-Nisa (4:29):

*"O you who believe! Do not consume one another's wealth unjustly but only [in lawful] business by mutual consent."* (QS. An-Nisa: 29)

In Ketapanrame, land lease contracts are formalized in written agreements that reflect mutual approval and awareness, aligning with this Islamic legal requirement.

#### 2. The Object of the Contract Is the Benefit (*Manfa'ah*)

In an *ijarah* contract, the object of exchange is not the asset itself, but the benefit derived from it. In Ketapanrame, the village remains the rightful owner of the land, while the community members are granted the right to use it for livestock activities. Islamic jurisprudence requires that the benefit be clearly defined in terms of usage type, duration, and location to avoid *gharar* (uncertainty). These conditions are met through clear specifications in the leasing agreements, ensuring the legitimacy of the contract.

#### 3. Actual and Lawful Delivery of the Leased Object

Another principle is the actual and lawful transfer of the leased object's benefit. This delivery must be tangible and effective under Islamic law. In Ketapanrame, land is handed over through administrative and physical processes, such as land measurement, fencing, and the signing of a Memorandum of Understanding (MoU). This reflects the guidance of Surah Al-Baqarah (2:282), which stresses documentation and clarity in financial transactions.

#### 4. Formal Agreement and Commitment

The existence of a valid offer and acceptance (*ijab-qabul*) is essential. In Ketapanrame, the agreements are formalized in notarized documents with clear terms regarding duration, renewal mechanisms, and legal responsibilities. This demonstrates adherence to the Islamic legal maxim: *"Al-'aqdu shari'at al-muta'qidayn"*, meaning a contract is binding law between the parties involved.

In sum, the application of the *ijarah* contract for livestock land leasing by BUMDes Mutiara Welirang reflects a practical implementation of Islamic economic principles. In the Islamic

worldview, a valid transaction must meet not only legal formal requirements but also uphold ethical values, moral integrity, and social benefit. Several foundational principles can be observed: *first*, The Principle of *Al-‘Adalah* (Justice), justice in Islamic economics implies fair and balanced treatment of all parties<sup>16</sup>. In Ketapanrame, fairness is reflected in the affordability of lease rates, preventing exploitation or asymmetric power relations between BUMDes (as landowner) and the farmers (as tenants). This aligns with the legal maxim *la zarar wa la ġirar* (there should be neither harm nor reciprocating harm).

*Second*, The Principle of *Al-Maṣlaḥah* (Public Benefit): Islamic economic activity must yield benefit to both individuals and society. The land leasing initiative generates income for the village and provides productive assets to the community, encouraging inclusive economic growth. This approach transforms idle village assets into productive resources that serve the wider population. *Third*, The Principle of *Ta‘awun* (Mutual Assistance). Islam encourages social solidarity. The *ijarah* scheme in Ketapanrame demonstrates this through non-profit-maximizing lease models, allowing small-scale farmers access to productive land. This model not only supports economic activity but also strengthens the village’s social fabric. *Fourth*, Alignment with the *Maqāṣid al-Shari‘ah* (Objectives of Islamic Law). The *ijarah* scheme directly supports several objectives of Islamic law: (i) *ḥifẓ al-mal* (protection of wealth): enabling asset use and lawful economic activity; (ii) *ḥifẓ al-naḥs* (preservation of life): promoting stable livelihoods; (iii) *ḥifẓ al-din* (preservation of religion): ensuring business complies with Islamic law; and (iv) *ḥifẓ al-‘aql* (protection of intellect): fostering responsible entrepreneurship.

*Fifth*, Free from *Riba* and *Gharar*. The *ijarah* model avoids *riba* (usury) and *gharar* (ambiguity). Lease fees are fixed and agreed upon in advance, providing cost certainty for tenants. This clarity promotes contract validity under sharia and builds legal protection for both parties. *Sixth*, Equitable Access to Productive Assets. The scheme allows those without land ownership to access productive assets, contributing to asset redistribution a key concern in Islamic economics. This reflects the Qur’anic guidance in Surah Al-Ḥasyr (59:7):

"...so that wealth does not circulate only among the rich among you..." (QS. Al-Ḥasyr: 7)

Therefore, the *ijarah* contract practiced in Ketapanrame is not merely a transactional leasing arrangement but a reflection of a just, sustainable, and community-oriented Islamic economic

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<sup>16</sup> Nurhayati, N., Prasetya, B. F. E., & Widyastuti, R. N. (2022). *Potensi Bumdes Berbasis Syariah Pasca Legalisasi UU Nomor 11 Tahun 2020 Tentang Cipta Kerja*. *Al-Adl: Jurnal Hukum*, 14(1), 53–66. <https://ojs.uniska-bjm.ac.id/index.php/alldi/article/view/5279>

system. It fosters a symbiotic relationship between the village institution and its people, promoting economic independence, poverty alleviation, and a resilient social structure<sup>17</sup>. This model presents a viable example of asset-based rural empowerment grounded in Islamic values, offering an alternative approach to addressing economic disparity in rural communities.

## CONCLUSION

The economic empowerment of the community through the land lease system for livestock farming in Ketapanrame Village represents a tangible application of Islamic economic principles at the local community level. This program adopts the *ijarah* contract as its sharia legal foundation, emphasizing the values of justice, mutual benefit (*maslahah*), and mutual consent (*an-taraḍin minkum*). Its implementation is supported by written agreements (MoUs), land measurement and fencing, as well as systematic administrative documentation conducted by the village government and BUMDes. The object of the contract, namely the usufruct of land, is lawfully and physically transferred to the community, thereby fulfilling the validity requirements of *fiqh al-mu'āmalāt*. The system operates with transparency and openness, where rental prices are fixed and mutually agreed upon, without involving elements of *riba* (usury), *gharar* (uncertainty), or economic exploitation. As such, the *ijarah* contract implemented in this program not only complies with sharia principles but also ensures an equitable distribution of benefits between the landowner (BUMDes) and the tenants (livestock farmers).

From the perspective of *maqāṣid al-shari'ah*, this system contributes to the objectives of preserving wealth (*ḥifẓ al-mal*) and preserving life (*ḥifẓ al-nafs*), by providing lawful and productive economic access to rural communities, particularly for those without land ownership. The improvement of farmers' welfare through affordable and legally recognized business models reflects the practical embodiment of Islamic values in local resource management. Nevertheless, the success of this program is highly dependent on both its supporting factors and the challenges it faces. Key enabling factors include clear village regulations, the strategic role of BUMDes as the implementing institution, the availability of village-owned land, active community participation, and administrative support from the local government. On the other hand, the program encounters several obstacles, such as inadequate livestock infrastructure, limited working capital for BUMDes, low human resource capacity among farmers, and unresolved issues related to livestock waste management that may pose environmental risks. Therefore, to ensure the sustainability and

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<sup>17</sup> Anhari, S. A. (2016). *Urgensi Regulasi Baitul Maal Wat Tamwil Bagi Optimalisasi Qardhul Hasan Sebagai Tanggung Jawab Sosial*. Universitas Islam Indonesia, <https://dspace.uii.ac.id/handle/123456789/8913>

effectiveness of the program, a comprehensive strengthening strategy is needed, including the development of supporting infrastructure, technical training for farmers, increased capital allocation for BUMDes, and the implementation of environmentally friendly waste management systems. If these challenges can be addressed in an integrated manner, the ijarah-based land lease scheme in Ketapanrame Village holds great potential as a replicable model of inclusive, sustainable, and sharia-compliant economic empowerment for other rural communities in Indonesia.

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