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ANALYSIS OF THE PEOPLE'S ECONOMY BASED ON SHARIA BUSINESS IN THE DIGITAL ERA

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ABSTRACT
This research analyzes a people's economy based on sharia business in the digital era, with a focus on how digitalization supports community economic empowerment through sharia principles. The digital era has brought significant changes in various economic sectors, including sharia business, through increased access to technology and the internet. Sharia businesses that utilize digital platforms have increased financial inclusion and empowered Micro, Small and Medium Enterprises (MSMEs) by providing wider market access and easier capital through sharia fintech. The research method uses descriptive qualitative. The research results show that digitalization of sharia business not only increases operational efficiency but also promotes the principles of justice and social welfare. However, challenges such as the digital divide and the need for supportive regulations remain a concern. In conclusion, the integration of digital technology in sharia business has great potential in building an inclusive and sustainable economy, as long as these challenges can be overcome through collaboration between government, the private sector and society.
Keywords: People's economy, sharia business, sharia fintech.

INTRODUCTION

The digital era has brought significant changes in various economic sectors, including sharia business. Information and communication technology (ICT) has enabled the development of digital platforms that simplify business transactions and operations. Increased internet access and smartphone penetration have changed the way people do business and interact economically. People's economics emphasizes community empowerment, fair distribution of wealth, and increasing social welfare. Sharia business, with the principles of justice, partnership and the prohibition of usury, has great potential to support the people's economy. The integration of sharia values in the digital economy can strengthen the foundations of an inclusive and sustainable economy. Digitalization offers various opportunities for sharia businesses, such as wider market access, operational efficiency and product innovation. However, there are also challenges that need to be faced, such as cyber security issues, the digital divide, and the need for regulations that comply with sharia principles in the digital ecosystem. Sharia-based fintech (financial technology) plays an important role in facilitating financial inclusion and providing financial services in accordance with sharia principles. The use of technology in the sharia financial sector can help expand access to financial services for unbanked or underbanked communities.

Government regulations and policies are important factors in supporting the development of sharia business in the digital era. Policies that support technological innovation while maintaining compliance with sharia principles are needed to create an ecosystem that is conducive to community economic growth based on sharia business (Menne et al., 2022) (Paruzi & Irhamdessetya, 2023). A new model has been developed based on earlier research; nonetheless, the model has a number of shortcomings. Future plans for this project include creating more connections and learning more about the sharia fintech paradigm (Mujiatun et al., 2022). Analysis of a people's economy based on sharia business in the digital era requires attention to various aspects of technology, regulation, literacy and collaboration. By understanding and overcoming challenges and taking advantage of existing opportunities, sharia businesses can contribute significantly to building a fair, inclusive and sustainable economy.

METHOD

This research use desciptive qualitative approach. Qualitative descriptive according to Mudija (2017), an extensive set of scientific investigations conducted to learn everything there is to know about a program, event, or activity at the level of an individual, a group of individuals, an institution, or an organization. In-depth descriptions of speech, writing, and behavior that can be seen in a specific activity and can be examined from a full and comprehensive viewpoint are anticipated study outcomes from qualitative methods. Finding out the advantages of digitizing sharia accounting is the goal of this qualitative descriptive study (Lambert & Lambert, 2013). In qualitative research, words and actions serve as the primary data sources; supplementary data, such as documents, make up the remainder. Words and actions in this context refer to the major (primary) data source—that is, the words and acts of individuals who are seen or questioned. In the meanwhile, written (secondary) sources and documentation, including images, can serve as additional sources of data.

RESULTS

People's Economy

The people's economy aims to create equitable and inclusive prosperity. The main aspects of the people's economy include:

1. Economic Justice, Fair income and opportunities for all levels of society.
2. Community Empowerment, Increasing community capacity and skills to become more independent.
3. Sustainability, Economic practices that do not harm the environment and can be sustained over the long term.

Sharia Business

These four characteristics of sharia business mutually strengthen each other. Rabbaniyyah focuses on the focus of divinity and oneness with Allah SWT and continues on the moral aspects and entrepreneurial behavior in the business practices and actions carried out. The two things above are supported by the insaniyyah character, namely the humanitarian aspect. The human element is an inherent character of sharia business based on every business activity must include basic human boundaries. Ends with washatiyyah, namely the character of moderation. It doesn't tend to always emphasize material aspects and it doesn't tend to focus too much on spiritual aspects. Both of these things must be managed with a washatiyyah character. Balance between worldly and spiritual.

On the other hand, the character of sharia business is also strengthened by several aspects, namely:

1. Based on Islamic values;
2. Material and spiritual aspects (worldly & spiritual);
3. Halal orientation;
4. Usefulness, blessings & benefits;
5. Social responsibility (Jazil & Hendrasto, 2021).

In adhering to these principles, sharia business is expected to be an agent of positive change in society, promote economic justice, and help create a sustainable and inclusive business environment, including:

1. Prohibition of usury, usury is the practice of giving or receiving additional money in financial transactions that involve borrowing money. In Islam, usury is considered a form of exploitation and injustice because it produces profits without any corresponding risk. The principle of prohibiting usury emphasizes the importance of equality and justice in financial transactions, where the parties involved are expected to gain profits and bear losses fairly.
2. Prohibition of maisir, maisir refers to the practice of gambling or speculation that involves uncertainty and unequal risks between the parties involved. In Islam, maisir is considered detrimental because it does not guarantee fair exchange and can cause economic instability. The principle of prohibition on maisir emphasizes the importance of certainty and fairness in economic transactions, and emphasizes the importance of avoiding detrimental speculation.
3. Prohibition of gharar, gharar refers to uncertainty or ambiguity in a transaction which can cause loss or injustice to one of the parties. In Islam, gharar is prohibited because it can result in unfair transactions or harm one of the parties. The principle of prohibiting gharar emphasizes the importance of clarity, certainty and fairness in all economic transactions.
4. The concept of justice and responsibility in sharia business highlights the importance of prioritizing collective interests and paying attention to the welfare of society in every business decision. The principle of justice emphasizes the importance of treating all parties fairly and equally, without discrimination or oppression. Responsibility in sharia business emphasizes the importance of acting ethically, respecting the rights of others, and paying attention to the social, environmental, and economic impacts of business decisions (Azazy & Rusmani, 2018).

For Islamic banking, the development of Islamic fintech has opened a new path towards providing a flexible financial system that remains immune to financial crises. Sharia fintech is very important in providing modern sharia banking services to customers to meet their financial goals, including those related to finance, social networking for the general public (Baber, 2019). Technology from payment systems, both from bank products and non-bank products banks, growing rapidly with digital services. Many restaurants and companies Transportation now provides payment systems that use technology digital finance that maximizes efficiency in terms of time and resources while encouraging smooth business transactions (Sirait et al., 2023). The impact of fintech on the sharia industry is technology such as Man-made consciousness (artificial intelligence) and Large Information which is intended to automate activities that are broader than insight activities. The second group of technological advances is focused on eliminating intermediaries that hinder unrestricted access to services and slow down P2P and mobile banking. Today's technology is based on decentralization and broader security, cloud-based, and more prevalent. Leveraging blockchain-based solutions can enable sharia-compliant banks to manage transaction costs and also help deliver results. In particular, in the context of zakat, where blockchain is essential as a solution to the problems facing the halal industry, the benefits of blockchain in creating intelligent agreements have led some financial companies to consider the feasibility of using blockchain for this purpose (Qudah et al., 2023).

Other benefits of sharia fintech that the public can experience include:

1. Protect someone from usury
2. Good management of MSMEs so that they level up
3. Facilitate various parties from the community and other institutions/organizations
4. Ease of access
5. Using Islamic Fintech feels safer (Winarsih, 2022).

With all the benefits of sharia fintech, it is not good if its implementation is not in accordance with sharia compliance. All conveniences and benefits in sharia finance must be coordinated in accordance with sharia requirements (Hirawati & Harsono, 2023).
All the perceived benefits will also face the risks of sharia fintech, namely:

1. Financial Hazard Risk arising from the use of financial influence by the company.
2. Risk refers to the lacking and unclear legal status, as well as the all-inclusive legal and operational regulations of fintech.
3. Security Risk, the possibility of failure due to the inability of fintech transactions to be carried out safely.
4. Operational Risk Operational risk occurs in any potential loss arising from internal components, personnel and systems in fintech companies that fail or do not make progress (Irfan & Rusmita, 2023) .

Increased Financial Access and Inclusion Achievement: Digital-based sharia business has increasing public access to financial services. Sharia fintech, such as payment and investment platforms, make it easier for people, especially those previously unreachable by the conventional banking system, to participate in economic activities. Evidence, Studies show an increase in the number of users of sharia fintech services, with significant growth in mobile banking applications and sharia-based investments. Growth of Sharia MSMEs Achievements: MSMEs that apply sharia principles and utilize digital technology experienced significant growth. Sharia-based e-commerce platforms provide a wider market and easier access to capital through sharia crowdfunding (Solehudin et al., 2024). Evidence, Data shows an increase in transaction volume and the number of MSMEs joining sharia e-commerce platforms. Operational Efficiency Achievement: Digitalization of sharia business processes increases operational efficiency through automation, reduced transaction costs, and increased service speed. Evidence: The use of sharia-based business management and accounting applications has helped small and medium businesses manage operations more efficiently (Agustina & Faizah, 2023). Challenge namely regulation and compliance, ensure all aspects of digital business comply with sharia law and local regulations. digital literacy: increasing digital literacy and among the opportunity community. economic inclusivity: enabling more people to participate in the digital economy, increased welfare, digital-based sharia businesses can improve people's welfare by providing wider access to financial products and services. Integration of the people's economy and sharia business in the digital era can be realized in several ways:

1. Sharia fintech platform namely sharia crowdfunding facilitates financing of community projects through sharia-compliant crowdfunding platforms and sharia peer-to-peer lending: provides usury-free microloans for small businesses.
2. Sharia e-commerce namely halal marketplace an e-commerce platform that only sells halal products and sharia digital marketing marketing products and services that comply with sharia ethics.
3. Digital education and training namely sharia e-learning: online courses on sharia business and finance and webinars and workshops: training to improve digital skills and sharia knowledge (Isabella & Agustian, 2023).

DISCUSSION

The Role of Technology in Supporting a Sharia-Based Community Economy. Advantages of Technology:

1. Digital technology enables wider penetration of sharia products and services. For example, sharia e-commerce platforms not only provide halal goods but also ensure transactions are carried out according to sharia principles. Technological Challenges: However, challenges such as the digital divide, especially in remote areas, are still obstacles. Solutions such as better internet infrastructure and digital literacy programs are needed to overcome this.
2. Compliance with Sharia Principles The Importance of Compliance, Compliance with sharia principles (such as the prohibition of riba, gharar, and maisir) in digital business is crucial. This ensures that the business is not only profitable but also fair and blessed.
3. Compliance Implementation, Many fintech and e-commerce platforms have implemented sharia audits and have sharia supervisory boards to ensure compliance with Islamic law.
4. Social and Economic Impact Economic Empowerment, Digital-based sharia business has increased community economic empowerment by providing access to capital and wider markets, especially for MSMEs.
5. Social Welfare, By increasing financial inclusion, digital-based sharia businesses contribute to increasing social welfare and reducing economic inequality.
6. Regulations and Policies Regulatory Needs, Regulations that support innovation while ensuring compliance with sharia principles are essential. The government needs to create policies that support the development of sharia fintech, including consumer protection and cyber security. Government and Private Collaboration: Collaboration between the government, financial institutions and the private sector is needed to create a conducive and sustainable sharia business ecosystem .

CONCLUSION

A people's economy based on sharia business in the digital era shows great potential in increasing financial inclusion, empowering MSMEs, and creating social welfare. Digital technology plays a key role in achieving this goal, although challenges such as the digital divide and the need for appropriate regulation remain to be overcome. With the right approach, sharia business can contribute significantly to a fairer and more sustainable economy.

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