



Optimization and Acceleration of Salam Transaction (OAST) as a leading economic leverage for the South Sulawesi agricultural sector

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ABSTRACT

This study aims to maximize one of the economic contracts in Islam, namely the salam contract, to advance South Sulawesi's economy in the agricultural sector by involving the community, government, and Islamic financial institutions. Acceleration and maximization of Salam transactions in agriculture can be adequately realized if all parties, especially farmers, the government, and Islamic financial institutions, can contribute to a movement called Optimization and Acceleration of Salam Transactions (OAST), which is carried out in 4 (four) steps as follows: 1) Optimizing the purchase of agricultural products from local farmers through Salam transactions. 2) Involve government institutions and Islamic financial institutions to encourage salam transactions with local farmers and regulations that encourage salam transactions among farmers through farmer groups and individual farmers. 3) Innovate and modify the salam contract to adapt to the regulations and culture of the local community. 4) Sales of agricultural products must involve and build cooperation with certain institutions such as the Logistics Agency (BULOG), State-Owned Enterprises (BUMN), Regional-Owned Enterprises (BUMD), Islamic financial institutions, and other institutions so that the cycle of buying and selling products of agriculture might be more optimized from year to year.

Keywords: Agriculture; salam transaction; Optimization and Acceleration of Salam Transaction (OAST)

1. INTRODUCTION

Indonesia as an agricultural country is assuredly a distinct advantage for the economic revival of the Indonesian state, which needs to be continuously maintained and developed as a leading commodity that contributes to the economy in Indonesia and on

a world scale. According to the governor of South Sulawesi, H. Sudirman Sulaiman (2021), South Sulawesi is a province whose agricultural sector is still the most significant contributor to economic growth in South Sulawesi.¹ This makes the agricultural sector of South Sulawesi a concern and a priority scale by the community, Islamic financial institutions, and the government in maintaining and developing food products and encouraging farmers with various facilities that can support the productivity of farmers and communities engaged in agricultural production.

According to Todaro & Smith (2006), the role of the agricultural sector in the economy in general is 6 (six), namely as follows: 1. Agriculture as an absorber of labor; 2. Giving contribution to people's income, 3. Contributing to the provision of food, 4. Agriculture as a provider of industrial raw materials, 5. Contributing in the form of capital formation (capital), and 6. Agriculture is a source of foreign exchange.² The current challenges in Indonesia related to national rice production are the growing demand for food, converting agricultural land to non-agriculture for housing and industry is unavoidable, low farm labor wages, and difficulties in procuring production infrastructure. In addition to this, the role of the agricultural sector is also very large in economic development based on an agribusiness perspective. Agricultural activities will have an impact on the movement of production input activities in the supply of seeds/seedlings, fertilizers, fungicide, feed, vaccines, and medicines.³

Research conducted by Roziq, Hisamudin, Wahyuni & Purnawati (2014) entitled "Salam Financing Model for Cassava Farmers and Small Businesses Made from Cassava in Jember Regency" states that no salam financing is obtained by cassava farmers either from the tape industry/business, cassava chips or cassava flour, in Islamic financial institutions such as Syariah Mandiri Bank, Muamalat Bank, BPR Syariah ASRI Madani Nusantara, and BMT Sidogiri.⁴

Financing products with salam contracts is an alternative solution. A salam or tough purchase contract is a contract for financing an item by ordering and paying the price in advance under certain agreed conditions. This is related to the condition of farmers in Indonesia, who have small capital on average and will only have money when the harvest season has arrived. Of course, if this salam contract is accessible to farmers, it will help them escape the shackles of moneylenders.⁵

¹ Suriani Mappong, Sektor pertanian menjadi penyumbang terbesar pertumbuhan ekonomi Sulawesi Selatan, [Berita online makassar.antaranews.com jum'at 18 juni 2021 18:55 WIB], tersedia di situs <https://makassar.antaranews.com/berita/270382/sektor-pertanian-jadi-penyumbang-terbesar-pertumbuhan-ekonomi-sulawesi-selatan>

² Todaro, M. P., & Smith, S. C. (2006). *Pembangunan Ekonomi* (Edisi ke Sembilan, Jilid 1). Jakarta: Erlangga.

³ Wirdiana dan Arna Asna Annisa, Menilik Urgensi Penerapan Pembiayaan Akad Salam pada Bidang Pertanian di Lembaga Keuangan Syariah di Indonesia, *Jurnal Muqtasid*, 8 (2) 2017 : hal 88-101

⁴ Ahmad Rozik, dkk, Model Pembiayaan Salam Pada Petani Singkong Dan Usaha Kecil Berbahan Singkong di Kabupaten Jember, *Jurna Akuntansi Universitas Jember*, Vol 12 no 2 Des 2014

⁵ Wirdiana dan Arna Asna Annisa, Menilik Urgensi Penerapan Pembiayaan Akad Salam pada Bidang Pertanian di Lembaga Keuangan Syariah di Indonesia, *Jurnal Muqtasid*, 8 (2) 2017 : hal 88-101

In general, the salam transaction is a sale and purchase transaction in which the payment occurs at the time of the contract, but the delivery of the goods occurs later in the specified time. This transaction provides benefits to both the buyer and the seller. The advantage is that the buyer gets a lower price, and the seller gets capital to buy the goods ordered. Islamic banks use this type of buying and selling transaction to provide capital to customers so that Islamic banks avoid interest-bearing money as conventional banks. Suppose conventional banks use a percentage of the loan amount to make a profit. In that case, Islamic banks calculate profits from the sale of goods that have previously been carried out in buying and selling transactions with customers.⁶

2. METHODS

This research is qualitative research using the library research method (library research) with data collection techniques through library reference searches in the form of books, journals, newspapers, documents, and other scientific publications, where this literature study examines various types of previous research related to Salam Contract and its application. The object of this research is the implementation of salam transactions in the agricultural sector in South Sulawesi. The reasons for using qualitative methods include: 1) this research topic needs to be explored, and theories about Salam must be developed. 2) present a detailed view of the topic. 3) Analyze and explain the evaluation of the implementation of Salam Transactions in the agricultural sector.

This research design describes the procedure or steps that must be taken, the data sources, and how the data is processed. This stage is necessary because research is a study method carried out through careful and perfect investigation of a problem so that the right solution to the problem is obtained. The data source used in this study is secondary data obtained or collected by people who conduct research from existing sources, both from library materials, literature, previous research, books, newspapers, magazines, and so on.

3. RESULTS AND DISCUSSION

According to the National Sharia Council (DSN-MUI) number 05/DSN-MUI/IV/2000 concerning the sale and purchase of salam, a salam transaction is a contract of sale and purchase of goods by ordering and paying the price in advance with certain conditions which include provisions regarding payment and provisions regarding goods to be traded, in this case the food commodity. Furthermore, the DSN-MUI Fatwa explains the provisions regarding the payment of (Salam: 1) The amount and form of payment must be known, whether in the form of money, goods, or benefits. 2) payment is made when the contract/sales contract is agreed, and 3) payment cannot be in debt relief (or cash). The provisions regarding goods, namely: 1) The characteristics must be clear and can be recognized as debt. 2) Must be able to explain the specifications. 3) Submission is made later. 4) The time and place of delivery of goods must be determined based on an

⁶ Ahmad Rozik, dkk, Model Pembiayaan Salam Pada Petani Singkong Dan Usaha Kecil Berbahan Singkong di Kabupaten Jember, *Jurna Akuntansi Universitas Jember*, Vol 12 no 2 Des 2014

agreement. 5) The buyer may not sell the goods before receiving them. 6) It is not permissible to exchange goods except for similar goods according to the agreement.⁷

Several fiqh scholars summarized their opinions. Most scholars emphasize a transaction whose contract resembles an as-alam contract if it fulfills the as-salam pillars: 1) The buyer is the party who needs goods and orders them. 2) Seller-the party that delivers the requested item. 3) Funds or money. 4) Sales Items are commodities that are traded. 5) *Shigat* or *Ijab Qabul*⁸. The terms of Salam: 1. The money must be paid at the place of contract, meaning that payment is made first. 2. The goods are owed to the seller. 3. The goods can be delivered according to the promised time. Therefore, ordering fruit that is not in season is not valid. 4. The size of the goods must be precise, whether the measure, weight, size, or number, according to the customary way of selling such goods. 5. Know and mention the properties of the goods. It means that the price and willingness of people on these goods can be different. These characteristics should be precise so that no doubt will result in a dispute between the two parties (the seller and the buyer).⁹

Statistical data from the Financial Services Authority as of July 2022 regarding the distribution of financing for Sharia financing products shows that salam activities or transactions in Sharia banking do not exist at all or zero transactions. This is in line with research conducted by Wiwik and Yuniorta, which states that it is miserable that salam contracts do not apply to Islamic banking. Since 2002, salam financing has been unavailable at Islamic Commercial Banks and Sharia Business Units (Ningsih & Wardayati, 2016).

Several studies reveal the factors that cause the failure of salam transactions in Islamic financial institutions, including the following: 1) lies in the difficulty of marketing crops (Siti et al., 2017). 2) lack of understanding of banking practitioners regarding the implementation of salam contracts (Devi, 2009; Affandi, 2013), 3) lack of socialization to the public regarding salam contract financing (Roziq). , 2014; Devi, 2009; Affandi, 2013); 4) high costs (Devi, 2009; Adams & Fitchett, 1992; Kaleem & Wajid, 2009; Muneeza et al, 2011) 5) Risks inherent in financing based on salam contracts (Roziq, 2014; Adi, 2012; Devi, 2009; Ashari, 2005; Affandi, 2013; Adams and Fitchett, 1992 in Kaleem and Wajid, 2009; Muneeza, et al, 2011). The same thing was stated by Adnan (2016), who stated that there were at least five dominant factors that caused the failure of salam contracts in Islamic financial institutions as follows: (1). High risk, (2). No request, (3). Not offering, (4). Limited human resources, (5). Lack of public understanding.¹⁰

The failure of salam contracts or transactions in Islamic financial institutions has encouraged researchers to reformulate the steps and procedures for maximizing salam

⁷ Fatwa Dewan Syariah Nasional MUI , Jakarta , 2000

⁸ Fathurrahman Djamil, Penerapan Hukum Perjanjian, h. 133

⁹ Badar Ilahi dan Ahmad Reszki Fajeri , real Life akad Salam dalam pertanian jurnal Muhasabatuna , volume 2 Juni 2021

¹⁰ Jaharuddin dan R Melda Maesarach, Akad Salam dan Problematikanya di Perbankan Syariah, Pendekatan Kritis, Jurnal Medika Ekonomi Vol 29 No 2 Oktober 2021

contracts as the leading economic leverage of the agricultural sector in South Sulawesi, which is called the Optimization and Acceleration of Salam Transaction (OAST) movement. Optimization and Acceleration of Salam Transaction (OAST) is a movement that seeks to maximize salam contracts in the agricultural sector, especially in South Sulawesi, where the agricultural sector in South Sulawesi is still the most significant contributor to economic growth in the region.¹¹

The salam transaction is a specific contract and it is very suitable in the field of agriculture as the hadith of the Prophet Muhammad Salallahu Alaihi Wasallam:

عَنْ ابْنِ عَبَّاسٍ رَضِيَ اللَّهُ عَنْهُمَا قَالَ: قَدِمَ النَّبِيُّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ الْمَدِينَةَ وَهُمْ يُسَلِّفُونَ بِالتَّمْرِ السَّنَيْنِ وَالثَّلَاثَ. فَقَالَ: مَنْ أَسْلَفَ فِي شَيْءٍ فَنِيءَ فِيهِ كَيْلٌ مَعْلُومٌ وَوَزْنٌ مَعْلُومٌ إِلَى أَجَلٍ مَعْلُومٍ .
متفق عليه

"From the sahabah of Ibn Abbas radhiallhu 'anhuma, he said: "When the Prophet Sallallahu 'alaihi wa sallam arrived in the city of Medina, while the people of Medina had used to order dates within two years and three years, then he said: Who does the salaf, should carry it out with precise doses and clear scales as well, up to a specific time limit.¹²

The efforts to continue to develop the agricultural sector must be a concern and priority scale for the government, especially the government of South Sulawesi, to take roles and policies that are pro-farmers as the leading sector in economic progress in the region. One of the steps that the South Sulawesi government can take is to realize the Optimization and Acceleration of Salam Transaction (OAST) movement program, which can be used as a flagship program and can be collaborated with other government programs in the agricultural sector as an effort to maintain and develop the leading economy of Sulawesi's agricultural sector South Sulawesi.

The Optimization and Acceleration of Salam Transaction (OAST) can be used as a transaction scheme in agriculture to maximize farmers' productivity, which is expected to increase economic change in the sector further. OAST is a Salam transaction scheme which the government's role is urgently needed so that all people can feel the acceleration and optimization of South Sulawesi agricultural products are not only limited to the people of South Sulawesi but will also create a very positive multiplier effect for the nation and state of Indonesia.

¹¹ Suriani Mappong, Sektor pertanian menjadi penyumbang terbesar pertumbuhan ekonomi Sulawesi Selatan, [Berita online makassar.antaranews.com jum'at 18 juni 2021 18:55 WIB], tersedia di situs <https://makassar.antaranews.com/berita/270382/sektor-pertanian-jadi-penyumbang-terbesar-pertumbuhan-ekonomi-sulawesi-selatan>

¹² Sayid Sabid, *Fikih Sunnah*, (Bandung: PT. Al Ma'arif, 1998), hlm. 111

The Optimization and Acceleration of the Salam Transaction (OAST) scheme will create a symbiosis of mutualism (mutually beneficial transactions) for the transacting parties, both the buyer and the seller, and it will create a positive multiplier effect for the economy, especially in South Sulawesi region. The Salam transaction should benefit all parties, both the buyer and the seller, in the case of the buyer benefiting because when the salam contract is in the negotiation stage, the buyer can obtain a lower price for agricultural commodities than the existing market price through negotiations. The offer, let alone paying in advance, will give buyers a good bargaining position. The sellers (farmers) also benefit because they get paid in advance through salam transactions, where this initial payment can be used as capital to maximize their agricultural productivity.

Acceleration and maximization of Salam transactions in the field of agriculture and food can be realized well if all parties, especially the government, farmers, Islamic financial institutions, and the public, can contribute to a movement called Optimization and Acceleration of Salam Transactions (OAST) so that the wheels of agricultural activity in the South Sulawesi region are expected had a positive impact compared to previous years and became the mainstay of South Sulawesi's agricultural economy. In addition to the involvement of the Government, Islamic financial institutions, farmers, and the community, which is something that must be done and is an integral part of realizing an optimal greeting scheme (OAST), this greeting contract can also be modified either involving third parties or commonly referred to as parallel greetings (Wasilah: 2014)¹³ or salam transactions can use salam bil wakalah where farmers who enter into salam contracts with government agencies / financial institutions can represent farmers to sell back to collectors.

The steps for the Optimization And Acceleration of Salam Transaction (OAST) movement are as follows: 1) Optimizing purchases of agricultural products and food from local farmers through Salam transactions (payment in advance with agricultural products and food merchandise is handed over later where the measurements, weights and delivery time has been determined and agreed) 2) Involve government institutions and Islamic financial institutions to encourage salam transactions with local farmers and issue regulations that encourage salam transactions among farmers both through farmer groups and individual farmers. 3) Innovate and modify the salam contract so that it is able to adapt to the regulations and culture of the local community. 4) Sales of agricultural products must involve and build cooperation with certain institutions such as the Logistics Affairs Agency (BULOG), State-Owned Enterprises (BUMN), Regional-Owned Enterprises (BUMD), Islamic financial institutions, and other institutions so that the rotation of the cycle of buying and selling agricultural products and can be more optimal from year to year.

The four steps of *The Optimization and Acceleration of Salam Transaction (OAST)* movement certainly have a positive and accelerated impact on the Leading Economy of the South Sulawesi agricultural sector by involving all parties and encouraging *Salam*

¹³ Wasilah, *Akuntansi Syariah di Indonesia* (Salemba Empat: 2014)

Transactions (cash payments with the delivery of agricultural and food products made later in accordance with the agreement) which so far have not been touched by Islamic financial institutions.

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