# E-Commerce Business Through the Internet in an Islamic Legal Perspective in Makassar

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## ABSTRACT

This research examines E-Commerce Business via the Internet from the perspective of Islamic law in Makassar. E-commerce refers to the process of buying and selling, transferring, or exchanging products, services, or information via computer networks. This study describes the views of Islamic scholars regarding buying and selling in Islamic law, as well as the propositions and hadith related to buying and selling law. the process of implementing e-commerce business transactions via the internet in Makassar. The research method involved literature analysis, interviews with academics, bureaucracy, bank customers and employees and executive housewives in Makassar. The results of the research show that e-commerce law states that e-commerce is halal or permissible according to Islamic law, because there is no argument that shows its prohibition.

**Keywords:** Modern business; e-commerce; Islamic law

## 1. INTRODUCTION

Islam is a comprehensive system designed to bring happiness to humans through harmonization of the moral and material aspects of life, as well as through the achievement of socio-economic justice and brotherhood in society. In the context of human happiness, technological advances have brought humans towards fulfilling their life needs through the use of the internet[1].

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[1]Rahmat Al Amin, 'Effectiveness of Using Information Technology Job Training Centers (BLK TI) in Increasing the Information Technology Capabilities of DDI Kaballagan Pinrang Islamic Boarding School Students', 2021 <http://repository.iainpare.ac.id/id/eprint/2383>.

The impact of technological developments has spread to Indonesia. This is characterized by the increasingly mushrooming e-commerce business as part of financial technology. Therefore, the development of financial technology is an important study today. Moreover, the development of internet technology means that all parts of the world can access information freely which has an impact on the unstoppable transfer of culture and ideology as if there were no boundaries. Moreover, the previous explanation explained that the development of financial technology in the fourth phase was also marked by changes in behavior in business. As humans live in the era of globalization, we are forced to continue to innovate in order to survive. It is not impossible to have a negative impact on business behavior. Therefore, religion as a guide to behavior is the basic foundation for warding off the negative impacts of technological developments.

Islam as a guideline for e-commerce business transactions for its followers, has not been eroded by changing times. Islamic economics views welfare from a broader perspective than conventional economics. This concept is rooted in economic thinking developed by Al-Ghazali, which was expressed in his work, Iḥyā 'Ulūm al-Dīn. Al-Ghazali believes that social welfare is realized when the five basic human goals are fulfilled, namely religion, soul, reason, wealth and offspring. In line with Al-Ghazali's thinking, prosperity is a human goal to obtain happiness in this world and the hereafter (falāḥ). Thus, the opinion expressed by Masruroh is correct that prosperity is defined as success in life in the world in carrying out its function as a caliph to worship Allah. Because in principle humans were created to worship Allah as Allah says in the Qur'an:

وَمَا خَلَقْتُ ٱلْجِنَّ وَٱلْإِنسَ إِلَّا لِيَعْبُدُونِ ۝٥٦ مَآ أُرِيدُ مِنْهُم مِّن رِّزْقٍ وَمَآ أُرِيدُ أَن يُطْعِمُونِ

۝٥٧ إِنَّ ٱللَّهَ هُوَ ٱلرَّزَّاقُ ذُو ٱلْقُوَّةِ ٱلْمَتِينُ ۝٥٨

Translation:

> "And I have not created the jinn and the men except that they should serve Me. I do not desire from them any sustenance and I do not desire that they should feed Me. Surely Allah is the Bestower of sustenance, the Lord of Power, the Strong," (QS. al-Dzariyat [51]: 56-58).

This verse emphasizes that apart from fulfilling personal satisfaction, we have obligations of worship, including ensuring that other people's rights to the sustenance we receive are also fulfilled. Balancing the fulfillment of personal needs and the fulfillment of other people's rights is a form of worship that requires us to manage money wisely. Therefore, careful financial planning is necessary.

Currently, proficiency in using the internet is considered an advantage, but in the next few years this will become a necessity, where the internet will become a necessity for every individual. The internet has many benefits, including promoting business, building self-image, building relationships, conducting trade via ecommerce, sending

electronic mail to various corners of the world, communicating via text or voice with individuals from various countries, carrying out banking transactions, and being a source of information. information and entertainment.[2].

Another advantage of online business via the internet is a greater reduction in costs compared to using EDI, because internet access costs are more affordable than communication costs via EDI. Furthermore, additional benefits of e-commerce over the internet, compared to EDI, include cheaper document and digital distribution, the ability to provide customer support, new marketing channels, attraction of new customers, providing a single point of contact for various products and services , and as a market research tool. However, although e-commerce benefits from the internet, several obstacles also arise, such as access and transmission security issues, excessive traffic loads, and difficulties in monitoring and measuring website performance, whether measured by the number of visitors or through other methods.[3]

Based on the background above, the main problem discussed in this journal is: "How does e-commerce business via the internet from the perspective of Islamic law in Makassar", then the main problem is broken down into three sub-problems: (1 ) What is the nature of e-commerce business? (2) What is the process of implementing ecommerce business transactions via the internet in Makassar? (3) What is the review of Islamic law or the formulation of Islamic law regarding e-commerce business?

## Research Objectives

A. To understand the nature of e-commerce

B. To find out the process of implementing e-commerce business transactions via the internet in Makassar.

C. To find out about Islamic law and find legal formulations regarding ecommerce business transactions.

## 2. METHODS

This research is qualitative field research with a multidisciplinary approach; philosophical, sociological, anthropological, historical, normative theological and juridical. The main data was obtained directly from the research location by extracting a number of data from informants. Data was obtained through observation, in-depth interviews and documentation studies. then processed and analyzed qualitatively with descriptive inductive analysis.

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[2]Muhammad Danil, 'The Importance of Understanding the Role of Islamic Study Methodology in the Millennial Generation in the Era of Digitalization', Profetika: Journal of Islamic Studies, 21.2 (2020), 223–30 <https://doi.org/10.23917/profetika.v21i2.13082>.

[3]Syahrul Mubarak Abdullah, 'The Influence of Using Multimedia Animation Methods in Introductory Information Technology Courses', ILKOM Scientific Journal, 9.1 (2017), 102–6 <https://doi.org/10.33096/ilkom.v9i1.117.102-106>.

**Research Location**

Makassar is a world city, metropolitan city, commercial city and its society is heterogeneous and in 2008 Makassar Mayor Ilham Arif Sirajuddin designated Makassar as a Cyber City, and the intensity of use of e-commerce business transactions via the internet was very rapid and contributed to the acceleration of activity development. business and economy in Makassar.

**Theoretical Description**

**Definition of Business**

Sukirno defines business as an activity aimed at making a profit. Every individual or group involved in business aims to fulfill their living needs by seeking profits, without anyone intending to experience losses.[4] According to Madura, a business is an entity established to produce goods and services for customers. Each business interacts with other individuals, who are responsible for the consequences of those business activities. Cross-functional collaboration in business is carried out by considering the needs of managers from various functional areas to achieve common goals in maximizing profits[5].

From this definition, it can be concluded that business is a series of activities carried out either individually or in groups, with the aim of meeting daily needs and improving the quality of life through the production of goods or services to obtain the greatest possible profit or profit. Business is an activity that leads to increasing added value through the process of providing services, trading or processing goods (production). In the terminology of this discussion, financing is funding, both active and passive, carried out by financing institutions to customers. Meanwhile, business is an activity in the form of services, trade and industry in order to maximize profit value. According to Anoraga and Soegiastuti (1996) define business as the activity of buying and selling goods and services. Straub and Attner (1994) define a business as an organization that carries out production and sales activities of goods and services desired by consumers to obtain a profit.

**Discussion**

**E-Commerce Business**

E-commerce, short for Electronic Commerce, is the process of purchasing, selling or exchanging products, services and information transactions carried out via computer networks. E-commerce is part of the e-business concept, which includes more than just business activities, but also collaboration with business partners, customer service, employee recruitment, and so on. Apart from the World Wide Web (WWW) network infrastructure, e-commerce also utilizes database technology, electronic mail (e-mail),

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[4]Sadono Sukirno, Introductory Macroeconomic Theory <https://www.rajagrafindo.co.id/produk/makroeconomic-theory-pengantar-edisi-ketiga/>.

[5]A Background, 'Adoc.Pub_Jeff-Madura-Penantar-Bisnis-Salemba-Empat-Jakarta', 2001, 1–11. 6 Wulan Maulidiss Sa'diah and Mohamad Nur Utomo, 'Bisma: Journal of Business and Management THE ROLE OF GOOD CORPORATE GOVERNANCE IN MINIMIZING Introduction', 15.1 (2021), 36–46.

as well as non-computer technology such as goods delivery systems and special payment tools for e-commerce transactions.

E-commerce refers to the process of buying and selling, transferring, or exchanging products, services, or information via computer networks, especially the Internet. By adopting conventional business models and using online social networks, business strategies can be successful if executed appropriately, which in the end will result in increased customers, brand awareness and revenue. Customer purchasing decisions are influenced by perception, motivation, learning, attitudes and beliefs. Perception influences how customers select, organize, and interpret information to form their understanding, while motivation is reflected in customers' desires to satisfy their own needs[6].

Buying and selling is one type of mu'amalah regulated in Islam. Seeing its form, e-commerce is basically a buying and selling transaction model too. However, it is categorized as modern buying and selling because it implies technological innovation. In general, Islamic commerce explains that transactions are physical in nature, by presenting the object during the transaction, whereas e-commerce is not like that. And the problem is not that simple either. E-commerce is a model of buying and selling agreements with characteristics that are different from ordinary buying and selling transaction models, especially with a reach that is not only local but also global. There are many ways to classify ecommerce, one of which is by looking at the participants who carry out ecommerce transactions.

As previously mentioned, current technology allows us to do online marketing via the internet. This brings the world towards a new concept of business activity, namely online. One of the main benefits of using the internet to interact with customers is the ability to quickly transmit data and information between the parties involved. The six dimensions of information system success identified by can be applied in the e-commerce context as follows:[7]:

1. System quality: In the internet environment, e-commerce system characteristics can be measured based on usability, availability, reliability, adaptability, and response time such as download time and data processing.

2. Quality of information: It is important to capture e-commerce content issues with a content network that is personalized, complete, relevant, easy to understand, and safe for potential buyers or suppliers who carry out transactions over the internet.

3. Service quality: The overall support provided by the service provider, whether delivered by the information systems department, organizational unit, or through outsourcing to an internet service provider.

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[6]Mahir Pradana, 'Digital Marketing: Adoption of Social Media in SMEs', Classification of E-Commerce Businesses in Indonesia, 27.1 (2015), 174.

[7]Muji Ernawati, Eni Heni Hermaliani, and Daning Nur Sulistyowati, 'Application of the DeLone and McLean Model to Measure the Success of Mobile-Based Student Academic Applications', IKRA-ITH Informatics Journal, 5.18 (2020), 58–67.

4. Usage: Measured by the number of visits to the website and navigation within it to search for information and carry out transactions.

5. User satisfaction: It is important to measure the customer's view of the ecommerce system, covering the customer experience from the beginning of the purchasing process to receiving the product or service.

6. Benefits: Need to capture the positive and negative impacts of e-commerce on customers, suppliers, employees, organizations, markets, industries, economies, and society as a whole.

**E-Commerce in Islamic Law Business Perspective**

The term "perspective" comes from English, from the word "perspective" which means a view or a way of depicting an object. So, the point of view referred to in this discussion is a review according to Islamic law of e-commerce businesses via the internet[8]. The word Islamic Law is not found at all in the Al-Qurán and legal literature in Islam. Existing in the Al-Quran are the words shari'ah, fiqh, Allah's law and its roots. The words Islamic Law are a translation of Islamic Law terms from western literature[9]. A. The arguments of the Qur'an regarding the law of buying and selling include Surah Al-Baqarah verse 275:

ٱلَّذِينَ يَأْكُلُونَ ٱلرِّبَوٰا۟ لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ ٱلَّذِي يَتَخَبَّطُهُ ٱلشَّيْطَٰنُ مِنَ ٱلْمَسِّ ۚ ذَٰلِكَ بِأَنَّهُمْ قَالُوٓا۟ إِنَّمَا ٱلْبَيْعُ مِثْلُ ٱلرِّبَوٰا۟ ۗ وَأَحَلَّ ٱللَّهُ ٱلْبَيْعَ وَحَرَّمَ ٱلرِّبَوٰا۟ ۚ فَمَن جَآءَهُۥ مَوْعِظَةٌ مِّن رَّبِّهِۦ فَٱنتَهَىٰ فَلَهُۥ مَا سَلَفَ وَأَمْرُهُۥٓ إِلَى ٱللَّهِ ۖ وَمَنْ عَادَ فَأُو۟لَٰٓئِكَ أَصْحَٰبُ ٱلنَّارِ ۖ هُمْ فِيهَا خَٰلِدُونَ ﴿٢٧٥﴾

Translation:

> *"Those who swallow down usury cannot arise except as one whom Shaitan has prostrated by (his) touch does rise. That is because they say, trading is only like usury; and Allah has allowed trading and forbidden usury. To whomsoever then the admonition has come from his Lord, then he desists, he shall have what has already passed, and his affair is in the hands of Allah; and whoever returns (to it)-- these arc the inmates of the fire; they shall abide in it."*

Riba in Islamic law is, "carrying out a transaction on a certain object which at the time of carrying it out is not known to be similar according to sharia standards [meaning

[8]Jesslin Jesslin and Farida Kurniawati, 'Parents' Perspectives on Children with Special Needs in Inclusive Schools', JPI (Journal of Inclusive Education), 3.2 (2020), 72 <https://doi.org/10.26740/inklusi.v3n2.p72-91> .
[9]Aisyah Ayu Musyafah, 'Marriage in the Philosophical Perspective of Islamic Law', Crepido, 2.2 (2020), 111–22 <https://doi.org/10.14710/crepido.2.2.111-122>.

there is an excess] or by delaying the delivery of the second or first of the ~objects."~~ The first thing from this definition is that What must be seen is that he indulges in usury in the verb sense, namely the act of carrying out usury transactions by exchanging objects in excess or making exchanges with a delay in delivering one or both objects.[10]

Then Allah SWT. forbids behavior like this, and refutes the words of those who equate usury with buying and selling through His word:

ا وَأَحَلا اللَّاه الْبَ يعا وَحَرَما ال ربا

*"In fact, Allah has permitted buying and selling and prohibited usury."*

Hadith concerning the law of buying and selling:

> "The Prophet SAW was once asked; What business (job/profession) is the best (most ideal)?, Rasulullah saw said; a person's work (business) with his hands and every good buying and selling." (HR. Bazzar and al-Hakim)

Hadith Concerning the Law of Buying and Selling

Carrying out transactions in writing, such as via fax or the internet, can be compared with transactions carried out in writing addressed to parties who are not present at the transaction meeting. The majority of scholars allow this because there is a mutual agreement, even though the agreement from the second party does not occur directly. However, this is not considered a problem as long as there is acceptance (kabul) from the second party when the letter reaches him. This is the view of the majority of scholars, although some scholars from the Shafi'i school of thought disagree.

**Motivation for People to Conduct e-commerce business transactions via the internet in the city of Makassar**

With E-commerce, individuals can fulfill all their needs without having to spend time visiting several supermarkets or supermarkets. The following is the motivation for the people of Makassar City to carry out transactions via e-commerce

1. Efficiency

For working people who are busy, of course they don't have enough time to shop at malls or offline markets, of course the presence of e-commerce is a solution for those who are busy working. The presence of e-commerce in society brings a breath of fresh air to all groups, especially to people who are busy at work.

2. Competitive prices

Prices offered on e-commerce tend to be cheaper and very competitive. One of the motivations for shopping at online stores such as Lazada and Tokopedia is because the prices are competitive, the prices offered at online stores tend to be cheaper than at offline stores.

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[10]Syamsul Anwar, 'Interest and Usury in the Perspective of Islamic Law', Tarjih Journal and the Development of Islamic Thought, 9 (2007), 1–36 <https://jurnal.tarjih.or.id/index.php/tarjih/article/view /68>.

### 3. Promotions and discounts

The existence of promotions such as discounts for purchasing certain products, or promotions for free shipping and discounts on certain items are very influential motivations. Through e-commerce, people can easily find out when there are promotions. For example, on the occasion of Lazada's birthday, or Shopee's birthday, there are many promotions offered which automatically become a golden opportunity to shop. Apart from that, at Lazada, for example, when there is a discount, the goods are discounted, unlike in malls, the price of the goods is increased first before they are discounted.

### 4. Feeling safe

People feel safer because they don't have to leave the place to make transactions so they don't worry about the possibility of pickpockets or robbers like when shopping offline. Shopping at traditional markets or malls requires more money and also feels anxious because of robbers or pickpockets. Therefore, shopping via the internet is more practical and cheaper, just relying on your cellphone and thumbs.[11].

Meanwhile, voice transactions, such as by telephone, can be compared to transactions carried out by shouting at each other from a long distance. An Nawawi in al Majmu' 9/181 states that if two people shout at each other from a distance, then the buying and selling transaction is valid without any dispute. The ulama stipulates the requirement for joint presence in the assembly, except for transactions of gifts, wills and power of attorney. Ijab (offer) and kabul (acceptance) must be carried out sequentially, and the standards for succession refer to local customs. The majority of ulama, except the Shafi'i school of thought, do not require that the consent be made immediately to prevent loss to the party or provide an opportunity to think. If the consent is made by letter, the consent from the second party must be obtained made when the letter reaches his hand. Apart from that, there needs to be conformity between the consent and the consent, and there is no indication that either party wants to cancel the transaction. The majority of ulama allow the party making the ijab (first party) to cancel the ijab.

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[11]Fatmawati Fatmawati, 'Motivation of Makassar City People to Conduct Transactions Through E-Commerce', Laa Maisyir: Journal of Islamic Economics, 7.1 (2020), 74 <https://doi.org/10.24252/lamaisyir.v7i1.13502>.

## 3. RESULTS

The results of this research show that e-commerce business via the internet is very fast at the moment. E-commerce is a system built with the aim of increasing efficiency and effectiveness in business by using information technology (the internet) to improve the quality of products or services and information as well as reducing unnecessary costs so that the price of the product and information can be reduced in such a way. appearance without reducing the existing quality. The process of implementing e-commerce in the city of Makassar has been running in accordance with the dynamics and development of IT technology.

There are a number of reasons why the people of Makassar are motivated to carry out e-commerce business transactions via the internet, because this business provides many benefits and conveniences, including:

(1) efficient; economical, short, affordable,

(2) Competitive prices

(3) Open 24 hours; users can make transactions at any time they want as long as there is an internet network available;

(4) Safe squeeze

Meanwhile, the e-commerce business transaction process or system via the internet uses an order system with an order form, an order by email and an order system by telephone. Regarding the objects or types of transactions that are often of interest to e-commerce users in Makassar, they are; goods, services and information; Meanwhile, the payment process that is often used by e-commerce users in Makasasar is using account by account, credit card and digital cash. In terms of security services for transactions via the internet, they generally state that it is safe as long as you are careful and smart in selecting shops. trusted online service, a number of informants admitted that they had experienced failure for the reason that they did not understand the e-commerce transaction system, after they understood that they would no longer experience failure, there were those who were deceived via Facebook and Twitter (these are social networks that are used to make friends all over the world, not created for e-commerce businesses).

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From a number of procedures from carrying out e-commerce research in the city of Makassar, supported by the data that the author found, if it is linked to an Islamic legal perspective, it is linked to the terms and conditions of buying and selling specified. in Islamic contract law which is based on the theory put forward by the Islamic law experts include Syatibi in his theory of Maqasid al-Syariah, ibn Qayim al-Jauziy in his theory of change, Al-Gazali in his theory of problem murlah and Lowrance with his theory of change, because e-commerce did not exist during the time of the Prophet, Companions and Tabi-tabiin, at this time, the author is making ijtihad to determine/instill the legal formulation of e-commerce that ecommerce is halal or permissible according to Islamic law, because there is no argument that shows its haraam, in fact e-commerce can be considered sunnat if it meets the terms and conditions of sale and purchase. Second, e-commerce is haram, if it conflicts with normative values (the Koran and Sunnah, moral values and social values) such as; sex transactions, online gambling, drugs, games that indulge in lust, and the like.

## 4. RESEARCH IMPLICATIONS

This research recommends: 1. for IT experts to create an Islamic e-commerce provider whose substance and implementation do not conflict with the Koran and Hadith.2. So that Muslims are smarter and more skilled in using IT technology so that they are not technologically literate and are able to compete and contribute to the acceleration and development of business and economic activities for the benefit of Muslims and protect the Islamic moral values of society, it is hoped that IT professionals who are Muslims will create Islamic e-commerce providers. Muslims who do not have e-commerce knowledge and skills in using the internet are advised not to make transactions to avoid losses. E-commerce business is a business that relies heavily on trust, willingness, prudence, security guarantees, and in it there are khiyar rights for consumers, fulfilling the requirements and elements of buying and selling in Islamic legal agreements, so buying and selling transactions What is very Islamic is e-commerce transactions.

Of the five professions used as informants (academics, entrepreneurs, bureaucracy, customers and bank employees and executive housewives) in general the informants stated

1. Have ever carried out buying and selling transactions via the internet, regarding the intensity in carrying out buying and selling transactions via the internet of the five professions, academics, entrepreneurs and employees and customers, it is much more intense or more intense than bureaucrats and executives' housewives.

2. The tendency of Makassar people to choose the types or objects of transactions they are interested in in e-commerce transactions is information, services and goods. Regarding the objects or types of transactions that are often carried out by ecommerce users in Makassar are; goods; for example cars, motorbikes, computers,

laptops, sports equipment, clothes, etc service sector: Ticketing services; Air Asia, Lion Air, Garuda, Pigeon flight tickets, bus tickets, ship tickets; online tickets: football tickets, transstudio cinema and children's entertainment,; Hotel reservations: local, national and international;

Information field: online news: kompas, pelita jaya, cover boy and girl magazine, majallah gatra, dawn tribun; online electronic news: metro tv, Tv one, sctv, rcti, tvri, tpi; Online knowledge: education, health, sports, technology, politics, arts, entertainment, and religion; online journaling; national and international journals. 3. The goals or motivations of e-commerce users in carrying out buying and selling transactions via the internet in Makassar are various, including: Efficiency, cost-effective, cheap, easy and affordable; Without Boundary (Without Limits) is not limited by space and time; Hours Online (Open 24 hours); Interactive (two-way communication); Hyperlink (connected in an instant); No License Required (No need for permission) and No Censorship (No Censorship). As for the process of Makassar people in carrying out e-commerce transactions via the internet, they are generally almost the same; starting by opening the site of one of the online stores and then continuing the transaction, they only differ in the payment process; some use account by account, credit cards and digital cash (e-cash) etc.

In terms of security services for transactions via the internet, they generally state that it is as safe as long as you are careful and smart in choosing a trusted online shop. They say that even in the real or conventional world, there are frauds, especially in cyberspace. They are only worried about what if there is a case of fraud or loss between the two parties and how it will be resolved, therefore the people of Makassar who use e-commerce expect the important role of the government in making regulations, rules or laws that can protect consumers from elements of fraud and losses in transactions in cyberspace.