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# UPHOLDING JUSTICE AND ANTI-RIBA PRINCIPLES IN INDONESIA'S BRICS INFRASTRUCTURE PROJECT



## Introduction

The BRICS group (Brazil, Russia, India, China, and South Africa) has become an important actor in the global economy by initiating various infrastructure projects, including in Indonesia. This group was formed to represent the interests of developing countries in the international system. Initially started as an investment opportunity, BRICS now plays a strategic role in global economic transformation (Käkönen, 2014; Priangani, 2015). It is hoped that the infrastructure projects that they have initiated in Indonesia can accelerate development. However, this approach often gives rise to problems such as unfair distribution of benefits and dependence on interest-based debt ('Riba').

## Problems and Challenges

The BRICS infrastructure projects face several significant issues, including dependence on the Riba system, where funding is often sourced through interest-based mechanisms that are considered usury in Islam, potentially creating economic reliance on lending countries. Additionally, economic inequality is a concern, as large projects frequently fail to provide proportional benefits to local communities, resulting in vulnerable groups being marginalized. Lastly, despite the majority of Indonesia's population being Muslim, international project frameworks like BRICS have not accommodated the values of justice and anti-usury in their implementation, overlooking principles that are highly valued by the community.

## Discussion

The BRICS infrastructure projects were originally designed as an investment forum for developing countries, but they have the potential to become agents of change in the international system. As noted by Käkönen, BRICS acts as a bridge that enables developing nations to enhance their economic capacities. However, this role is not without challenges, including differing political interests among member countries and the risks associated with high-interest debt that can jeopardize the financial stability of participating nations.

Justice is a fundamental principle in Islamic economics, emphasizing equitable distribution of benefits and the avoidance of exploitation in the context of BRICS infrastructure. This principle necessitates that local communities be recognized as the primary beneficiaries of infrastructure projects, rather than merely international actors or economic elites, ensuring that the fruits of development reach those who are most affected.

The discourse surrounding usury in Islam often centers on its economic implications. While some scholars argue that all forms of interest constitute usury, others only prohibit excessive interest. Nonetheless, the consensus among the majority of scholars is that any form of usury should be avoided. The Prophet Muhammad (peace be upon him) stated that Allah curses those who engage in usury in any form. To address this issue, Sharia-compliant financing alternatives, such as sukuk, can be employed to replace interest-based financing in BRICS infrastructure projects, offering a fair and usury-free mechanism for funding.

The Islamic worldview integrates spiritual, social, and economic dimensions in its approach to development. This perspective asserts that development should not solely focus on economic growth but also prioritize social welfare and environmental sustainability. Therefore, BRICS infrastructure projects should adopt a holistic approach that aligns with Islamic values, fostering a development model that benefits all stakeholders while adhering to ethical principles that promote justice and equity.

## Closing

The infrastructure projects initiated by BRICS in Indonesia present significant opportunities for economic advancement, but their implementation must adhere to the principles of justice and avoid the practice of usury as outlined in Islamic teachings. By adopting sharia-compliant financing methods, such as Sukuk, and ensuring a fair distribution of benefits, Indonesia can effectively incorporate Islamic values into these international projects. This approach not only has the potential to bolster the Indonesian economy but also promotes sustainable development and blessings. Nevertheless, substantial challenges remain, particularly regarding Indonesia's readiness to engage with the global dynamics led by BRICS. As a predominantly Muslim nation, Indonesia faces critical questions about its preparedness to navigate an economic landscape that often relies on systems contrary to Islamic values, such as interest-based financing. Moving forward, Indonesia must be equipped to address these complexities while upholding the values of justice and Islamic economic principles in all international collaborations, positioning itself as a model for other Muslim countries in pursuing an ethical and sustainable economy.

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# SHARIA FINTECH: THE ROLE OF BLOCKCHAIN TECHNOLOGY IN TRANSFORMING THE ISLAMIC FINANCIAL SYSTEM

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## Introduction

The Sharia Financial System is a system based on the principles of Islamic law, which prohibits usury (interest), Maysir (speculation), and Gharar (uncertainty). These principles aim to realize transparency, justice, sustainability, and blessings in economic transactions. However, this approach often faces challenges in the form of high transaction costs, limited accessibility, and the potential risk of data manipulation due to centralization. Along with technological developments, blockchain technology has emerged as an innovative solution. In Islamic economics, blockchain technology is aligned with Sharia principles through its advantages in transparency, decentralization, and efficiency. This technology stores data in encrypted blocks that are connected, each block contains several transactions or data, a timestamp, and a reference to the previous block, which creates an immutable data chain (Nehra et al., 2020). With the principle of decentralization, every computer network (node) in the network has a complete copy of the data chain, making the system resistant to manipulation and attacks, so that the transparent nature of the blockchain allows all participants in the network to see and verify transactions, increasing trust and accountability in the system (Tyma et al., 2022). Verified transactions are combined in a new block and added to the chain through a consensus process (Lasla et al., 2022).

## The Relationship of Blockchain with Transparency and Accountability in Islamic Finance

**Transparency:** Blockchain is a medium that is publicly recorded, which makes it possible for all those involved to see it. In Islamic finance, transactions that adhere to Islamic principles can be easily verified by the relevant members.

**Accountability:** By using blockchain, it is very easy to trace transactions from the source, so that everyone involved can be held accountable. Therefore, transactions can be monitored and not deviate from Sharia principles (Arwani and Priyadi, 2024).

## The Role of Blockchain Technology Innovation for the Sharia Financial System

Blockchain can help the growth of the Islamic financial system to be transparent, accountable, fair, safe, easy, fast, and efficient. In implementing blockchain, there are applications for smart contracts. Smart contract is a program that facilitates, verifies, and enforces the implementation of business transactions (Zheng et al., 2020). By using smart contracts, it is easier for parties to enter into agreements with other parties. Smart contract provides results on the registered blockchain, which is considered very effective because it cannot be changed by parties outside the parties concerned. Thus, blockchain technology is here to offer the opportunity to revolutionize the way things work in fintech sharia, starting from interactions between individuals, carrying out transactions, to increasing trust in the Islamic financial ecosystem.



“Smart contract is a program that facilitates, verifies, and enforces the implementation of business transactions (Zheng et al., 2020)”

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# SHARIA FINTECH: THE ROLE OF BLOCKCHAIN TECHNOLOGY IN TRANSFORMING THE ISLAMIC FINANCIAL SYSTEM

## Challenges

The main challenges in applying blockchain technology in the context of Islamic economics are issues of regulation and Sharia compliance, besides the development of technological infrastructure. Another challenge is public awareness and readiness for blockchain technology. Thus, it is important to increase awareness among the public, financial institutions, and stakeholders (Djumadi, 2024), including the government.

## Conclusion

In facing challenges and obstacles, joint efforts need to be made between various relevant parties to develop a framework that follows the principles of Islamic economics and ensures the successful implementation of Blockchain Technology in this context. By utilizing Blockchain Technology wisely, the Islamic financial sector can optimize efficiency, transparency, and compliance with Sharia principles, which, in its main aim, will encourage the growth and progress of the Islamic economy as a whole.

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# SUSTAINABLE BRANDS SATISFIED CUSTOMER

## A Look into Consumer Loyalty

HOW SUSTAINABILITY DRIVES CONSUMER LOYALTY AND MARKET GROWTH

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Entrepreneurship possesses the capacity to generate significant social transformation by promoting creativity, generating revenue, and tackling urgent societal issues. Entrepreneurship has long been recognized as a driving force for sustainable development, as it provides a platform for innovative solutions to address various socio-environmental challenges (Islam et al., 2021). Entrepreneurs who are dedicated to making a positive social effect can use their imagination, ingenuity, and economic sense to create businesses that benefit society as well as make money. Growing awareness of how purchases affect the environment has led to a consumer search for eco-friendly and sustainable companies and products. This sector of the economy requires entrepreneurs to provide sustainable practices, ecologically suitable substitutes, and consumer education on responsible purchasing. Entrepreneurs that can spot and seize these trends will be in a good position to satisfy changing consumer demands and desires while fostering the expansion and success of their businesses.



“Entrepreneurs who  
align with  
sustainability unlock  
brand loyalty and  
long-term success.”

Apart from that, sustainability stimulates entrepreneurship by motivating companies to come up with innovative answers to challenging problems. In order to develop sustainable goods, services, and business models that benefit society and customers alike, entrepreneurs are utilizing technology, design thinking, and cooperative alliances. Businesses can acquire a competitive advantage in congested markets and draw in a devoted clientele by setting themselves apart through sustainability. These days, sustainable entrepreneurship promotes the development and distribution of innovative innovations, leading to improvements in today's technology, renewable energy sources, sustainable farming methods, and green infrastructure solutions. For example, the creation of rechargeable batteries and solar systems. Prioritizing sustainability in business allows companies to meet this demand by providing goods and services that support environmental restoration and protection, as demanded by our market nowadays.





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