

# Sharia Business in Indonesia: A Systematic Literature Review

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## ABSTRACT

The objective of this literature review concerning sharia business is to illuminate the present state of sharia business in Indonesia, revealing the prospective opportunities that can be utilized for expansion. By extensively examining the existing body of literature, this review aims to provide a more profound insight into the fundamental principles that form the basis of sharia business and how they can be practically applied in the Indonesian business environment. The findings this research is The highest number of articles, 15 (30%), was observed in 2022, whereas the lowest count was in 2018, with only one article (2%) compared to other years. Qualitative and quantitative approaches were evenly utilized, with 25 articles (50%) employing each method to discuss "Sharia Business." The most commonly explored topics were financial performance and Sharia financial institutions, each represented by 9 articles (18%). Sharia principles and case studies also received attention, each with 7 articles (14%). In terms of subject matter, Sharia banking was the most discussed, constituting 38% of the articles, followed by Sharia businesses with 30% representation. Researchers and industry stakeholders should continue to explore these areas.

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## 1. Introduction

In recent years, sharia business in Indonesia has experienced significant growth, particularly within the realms of Sharia banking and finance.[1] However, beyond these sectors, there are numerous untapped opportunities in Sharia business that hold the potential to enhance business growth. Consequently, this literature review focuses on addressing the following research questions: Firstly, what are the existing sharia business opportunities in Indonesia? Secondly, what are the various types of sharia products and services available in Indonesia?

The burgeoning interest in sharia business practices in Indonesia is closely aligned with the increasing awareness among its citizens regarding the significance of sharia principles in the realm of business. Unlike conventional business, sharia business is characterized by its unwavering adherence to Sharia principles across all facets of its operations, encompassing planning, management, and profit distribution. While sharia banking and finance have garnered substantial attention, there remain numerous unexplored dimensions within the sphere of sharia business, making a comprehensive literature review of paramount importance.

This literature review aims to shed light on the current landscape of sharia business in Indonesia, uncovering the potential opportunities that can be harnessed for growth. Through a thorough exploration of existing literature, this review seeks to offer a deeper understanding of the principles that underpin sharia business and their practical applications within the Indonesian business context.

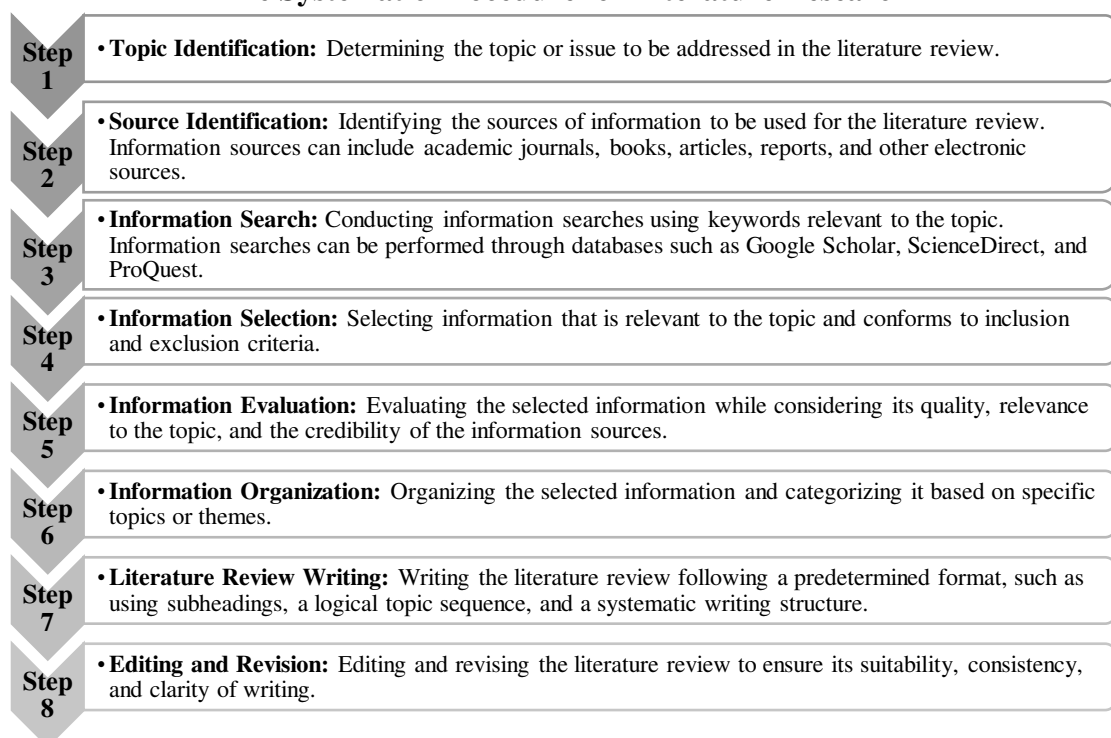
Drawing on prior research, the review will delve into critical aspects of sharia business in Indonesia, including the spectrum of Sharia products and services available, the essential principles that must be upheld, promising business prospects, and strategies for leveraging these opportunities to foster business growth. By doing so, it is anticipated that this literature review will make a positive contribution to the advancement of sharia business in Indonesia, highlighting avenues for development and growth in this evolving sector.

## 2. Method

Literature research is a form of synthesis or summary of literature relevant to a specific topic. In conducting literature research on Islamic business in Indonesia, researchers employ several techniques or strategies to identify and evaluate relevant literature. The following is the systematic procedure for literature research:

**Figure 1**

### **The Systematic Procedure for Literature Research**



This research utilizes secondary data from national and international academic journals related to Sharia Business that have been published between the years 2017 until 2023. These journals are accessible online through available publications.

## 3. Results and Discussions

Using the Harzing's Publish or Perish application and searching with the keyword "Islamic Business," we found 200 journals that have been published and indexed nationally and in the Scopus index related to Islamic Business. Upon further review, not all of these articles were relevant, and some articles were inaccessible. Additionally, articles in the form of books, theses, and dissertations were excluded from this study. As a result, only 50 articles remained as the sample used in this research.

**Table 1. Article Distribution**

Year	%	Articles
2017	10%	5
2018	2%	1
2019	18%	9
2020	14%	7
2021	18%	9
2022	30%	15
2023	8%	4
Total		50

**Figure 2**

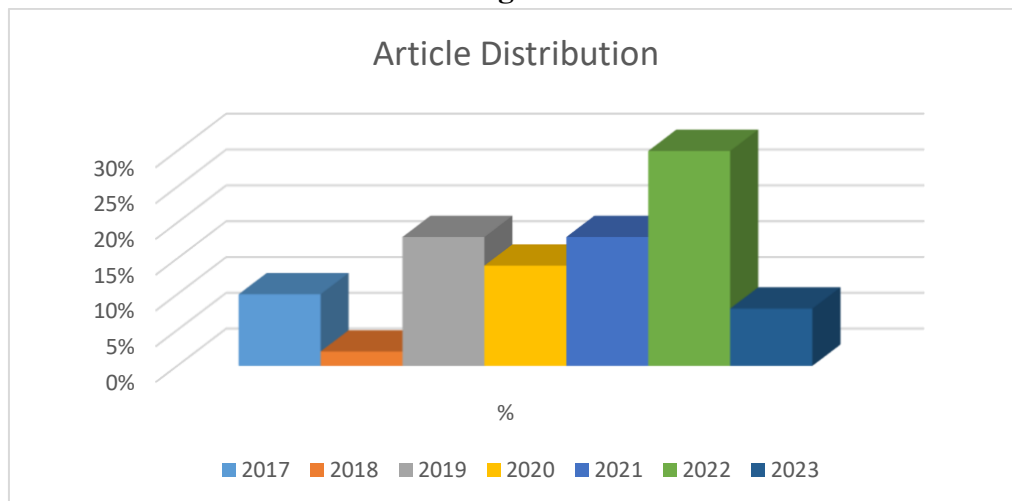


Figure 2 illustrates the distribution of journal articles indicating variations in the number of published journals. In 2017, only 5 articles were published, accounting for 10% of the total articles. In 2018 there was a significant decrease, with only 1 article published, making up 2% of the total. In the next year 2019, there was a notable increase to 9 articles, representing 18% of the total. The number stabilized with 7 articles, accounting for 14% in 2020. The year 2021 saw a resurgence, with 9 articles again representing 18%. In 2022, there was the highest output, with 15 articles published, constituting 30% of the total articles. Finally in 2023, the trend saw a decline, with only 4 articles published, equating to 8%. The data suggests fluctuations in the number of articles published each year, with a peak in 2022 and a lower output in 2018 and 2023. Table 1 provides a concise view of the publication trend over the years and highlights years of both growth and decline in the number of articles.

**Table 2. Article Distribution in terms of Research Methods**

Type	2017	2018	2019	2020	2021	2022	2023	Total
Qualitative	2	1	4	4	4	7	3	25
Quantitative	3		5	3	5	8	1	25
<b>Total</b>	<b>5</b>	<b>1</b>	<b>9</b>	<b>7</b>	<b>9</b>	<b>15</b>	<b>4</b>	<b>50</b>

**Figure 3**

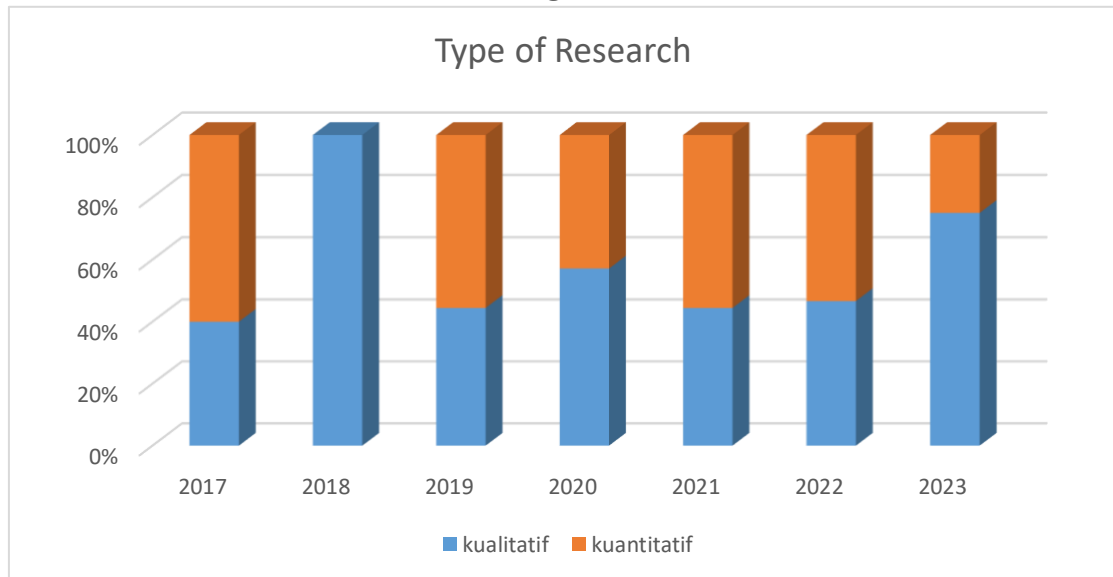


Figure 3 shows the type of research approach per year. Qualitative research refers to articles that focus on descriptive analysis, theoretical frameworks, or non-numerical data, while quantitative articles refers to articles that involve statistical analysis, numerical data, and empirical research.

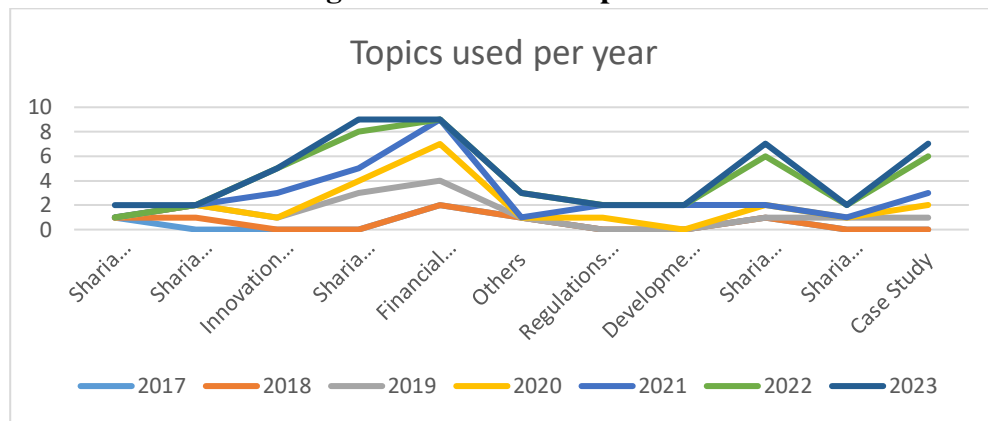
Both qualitative and quantitative articles contributed equally to the total number of articles published, each totaling 25 articles over the entire period. Trends over the years for qualitative articles shows an upward trend from 2018 to 2022, peaking in 2022 with 7 articles. However, there's a decline in 2023 with only 3 articles published. As for quantitative articles, a notable absence in 2018 indicates no quantitative research was published that year. The number increases in 2019 before peaking at 8 in 2022, followed by a significant drop to just 1 in 2023.

The table highlights a balanced production of qualitative and quantitative articles, each showing significant variability in annual contributions. The 2022 peak suggests a particularly strong year for both types of research output. However, the decline observed in 2023 indicates a potential area for concern or a need for improvements in research output capacity. This data could inform future research strategies to ensure a more consistent and diverse publication output.

**Table 3. Research topics of Article Distribution**

Topics used	2017	2018	2019	2020	2021	2022	2023	Total
Sharia Business Ethics	1						1	2
Sharia Contract Law		1	1					2
Innovation in Sharia Business.			1		2	2		5
Sharia Financial Institutions			3	1	1	3	1	9
Financial Performance	2		2	3	2			9
Others	1					2		3
Regulations and Rules				1	1			2
Development of Islamic Finance Industry					2			2
Sharia Principles	1			1		4	1	7
Sharia Financial Products and Services.			1			1		2
Case Study			1	1	1	3	1	7
<b>Total</b>	<b>5</b>	<b>1</b>	<b>9</b>	<b>7</b>	<b>9</b>	<b>15</b>	<b>4</b>	<b>50</b>

**Figure 4. Research Topics**



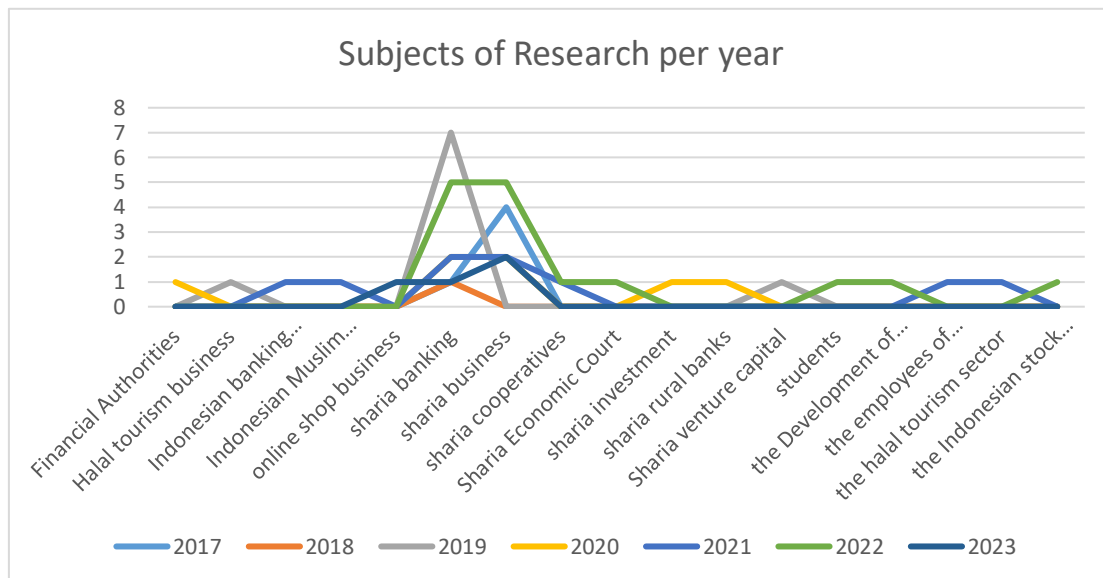
The table 3 presents the frequency of research topics used in a sharia business research or across the years 2017 to 2023. Most frequent topics are Sharia Financial Institutions and Financial Performance are the most researched topics, both appearing in 9 research papers over the observed period. Case study and Sharia principles are also prominent. Emerging trends are innovation in sharia business has seen a significant increase in research interest, with 5 publications in recent years.

Sharia business ethics also shows an upward trend with 2 publications in the most recent year. There is a declining interest in Sharia contract Law and regulations and rules that appear to have been less frequently researched in recent years being researched. Overall, the table indicates a diverse range of research interests within the field, with a focus on practical aspects like financial institutions, performance, and case studies, alongside foundational areas like Sharia principles and ethics.

**Table 4. Research subject of Article Distribution**

Subjects of research	2017	2018	2019	2020	2021	2022	2023	Total
Financial Authorities				1				1
Halal tourism business			1					1
Indonesian banking institutions					1			1
Indonesian Muslim youth					1			1
online shop business							1	1
sharia banking	1	1	7	2	2	5	1	19
sharia business	4			2	2	5	2	15
sharia cooperatives					1	1		2
Sharia Economic Court						1		1
sharia investment				1				1
sharia rural banks				1				1
Sharia venture capital			1					1
students						1		1
the Development of Waqf						1		1
the employees of sharia banking					1			1
the halal tourism sector					1			1
the Indonesian stock market						1		1
<b>Grand Total</b>	<b>5</b>	<b>1</b>	<b>9</b>	<b>7</b>	<b>9</b>	<b>15</b>	<b>4</b>	<b>50</b>

**Figure 5. Subjects of Research**



There are several research findings related to this study. The analysis of 50 publications related to "Sharia Business" is as follows. There is a diversity of discussions in the published articles related to "Sharia Business." A total of 15 articles (30%) in publications related to "Sharia Business" were recorded as the highest in 2022, while the lowest number occurred in 2018 with only one article (2%) compared to other years.

In general, out of the 50 published articles, 25 articles (50%) utilize a qualitative approach in discussing "Sharia Business," and 25 articles (50%) use a quantitative approach. Based on the research topics, out of the 50 articles, the most frequently addressed topics are financial performance, with a total of 9 articles (18%), and Sharia financial institutions, also with 9 articles (18%). This is followed by topics related to Sharia principles and case studies, each with 7 articles (14%).

The subject of discussion in the 50 published articles on "Sharia Business" is mostly related to Sharia banking, totaling 19 articles (38%). This is followed by Sharia businesses with 15 articles (30%). The topics used in the articles in 2022 include Innovation in Sharia Business[2], Sharia Financial Institutions[3][4], Sharia Principles[5][6][7], Sharia Financial Products and Services[8], Case study[9][10][11] and Others.[12]

#### 4. Conclusion

The fluctuation in the number of articles related to "Sharia Business" over the years highlights the evolving nature of this field. The significant increase in publications in 2022 reflects the growing interest and importance of Sharia-compliant business practices in the global financial landscape. Researchers, policymakers, and practitioners should continue to collaborate and contribute to the advancement of this field to address the unique challenges and opportunities it presents.

Ultimately, this even split encourages a holistic exploration of "Sharia Business" and enables researchers to capture a comprehensive view of its various aspects. It signifies the significance of a well-rounded and inclusive approach to furthering knowledge in this field. Researchers should continue to leverage both qualitative and quantitative methods to contribute valuable insights to the study of "Sharia Business."

The distribution of research topics within the 50 published articles on "Sharia Business" reflects the dynamic and multifaceted nature of this field. The prevalence of financial performance, Sharia financial institutions, Sharia principles, and case studies highlights the diverse interests and needs within the "Sharia Business" domain. Researchers and stakeholders should continue to explore these topics to deepen our understanding of "Sharia Business" and its implications for both theory and practice in the contemporary business world.

The dominance of Sharia banking as a subject of discussion in the 50 published articles on "Sharia Business" underscores the pivotal role of Islamic finance in this field. It reflects the growing interest in ethical and Sharia-compliant financial practices worldwide. Simultaneously, the significant attention to Sharia businesses highlights the diverse and evolving nature of businesses operating under Islamic principles. Researchers and industry stakeholders should continue to explore these areas to deepen our understanding of "Sharia Business" and its impact on both the financial and business landscapes in today's world.

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