

# DEVELOPMENT OF A FAIR WAGE SYSTEM TO IMPROVE WORKERS' WELFARE FROM AN ISLAMIC ECONOMIC PERSPECTIVE

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## ABSTRACT

*Islam views the issue of wages as having a lot to do with moral concepts, while the West does not. Even wages in Islam are not only limited to material (material or worldly) but to penetrate the boundaries of life, namely the dimension of the hereafter called merit, while the West does not. The implementation of the Western version of the wage system, which is currently still ongoing, is at least the background for the occurrence of unequal social and welfare disparities. The polemic of workers' wages has always been an endless discussion. Even though there is still something worse than the wages of workers, namely the wages of teachers and lecturers of small private foundations. Moreover, the school and campus are Islamic foundations. This paper is expected to provide a view on how the wage system should be implemented in accordance with the postulates of the Qur'an and Sunnah. This study uses a qualitative approach with secondary data. Then it was analyzed using content analysis. The results of the study show that the concept of wages in the Islamic view is the reward that a person receives for his work in the form of rewards in the world in a fair and polite manner and in the form of rewards in the hereafter because work has a dimension of worship. The principle must be based on voluntary agreement without coercion from both parties. A wage contract is valid with the existence of rights and obligations between the two, clearly stating the wage level, contract period, type, and nature of the work. The determination of wages in Islam must also be determined by the interaction of market forces on the supply and demand of labor, taking into account the aspects of justice and respect. In addition, the government also needs to set a minimum wage price if the market mechanism is unable to realize fair and decent wages for workers. It is also recommended that the minimum wage in Islam is determined based on the nisab zakat.*

**Keywords:** Wage, Salary, Labour, Teachers and Lecturers, Welfare.

## ABSTRAK

Islam memandang masalah upah memiliki banyak hubungannya dengan konsep-konsep moral, sementara Barat tidak. Bahkan upah dalam Islam tidak hanya terbatas pada materi (material atau duniawi) tetapi untuk menembus batas-batas kehidupan, yaitu dimensi akhirat yang disebut pahala, sedangkan Barat tidak. Penerapan sistem pengupahan versi



Barat yang saat ini masih berlangsung setidaknya menjadi latar belakang terjadinya kesenjangan sosial dan kesejahteraan yang timpang. Polemik upah buruh selalu menjadi diskusi tanpa akhir. Padahal masih ada yang lebih buruk dari upah buruh, yaitu upah guru dan dosen yayasan swasta kecil. Terlebih, sekolah dan kampus itu yayasan Islam. Tulisan ini diharapkan dapat memberikan pandangan tentang bagaimana seharusnya sistem pengupahan diterapkan sesuai dengan dalil Al-Quran dan Sunnah. Penelitian ini menggunakan pendekatan kualitatif dengan data sekunder. Kemudian dianalisis menggunakan analisis isi. Hasil penelitian menunjukkan bahwa konsep upah dalam pandangan Islam adalah imbalan yang diterima seseorang atas pekerjaannya berupa pahala di dunia secara adil dan sopan serta berupa pahala di akhirat karena pekerjaan memiliki dimensi ibadah. Prinsipnya harus didasarkan pada kesepakatan sukarela tanpa paksaan dari kedua belah pihak. Kontrak upah sah dengan adanya hak dan kewajiban antara keduanya, secara jelas menyatakan tingkat upah, jangka waktu kontrak, jenis, dan sifat pekerjaan. Penentuan upah dalam Islam harus ditentukan pula oleh interaksi kekuatan pasar pada penawaran dan permintaan tenaga kerja, dengan mempertimbangkan aspek keadilan dan rasa hormat. Selain itu, pemerintah juga perlu menetapkan harga upah minimum jika mekanisme pasar tidak mampu mewujudkan upah yang adil dan layak bagi pekerja. Juga direkomendasikan bahwa upah minimum dalam Islam ditentukan berdasarkan nishab zakat.

**Kata Kunci:** Upah, Gaji, Tenaga Kerja, Guru dan Dosen, Kesejahteraan

## INTRODUCTION

The problem that always arises in Indonesia related to wages and labor is on every May 1, which is known as labor or Labour Day. A day that is a momentum for evaluation as well as a struggle for workers in demanding an increase in their wages. They do not tire of urging the government to immediately impose a more humane national living wage, because it is considered so far inhumane. This was stated by Kahar S. Cahyono, Head of the Media and Communication Department of the Confederation of Indonesian Trade Unions (KSPI), that the workers asked for wage determination based on Government Regulation of the Republic of Indonesia Number 78 of 2015 concerning Wages, but the government was considered indifferent to the workers' demands. Meanwhile, Minister of Manpower of the Republic of Indonesia Ida Fauziyah ensures that the determination of the 2023 minimum wage continues to use rules derived from the Job Creation Law, namely Government Regulation of the Republic of Indonesia Number 36 of 2021 concerning Wages (kontan.co.id, 9/11/2022).

Edy Mahmud, Deputy for Balance Sheet and Statistical Analysis of Central Bureau of Statistics of the Republic of Indonesia (BPS), in his press release stated that in February 2023, the number of workers in Indonesia was recorded at 146.62 million people (katadata.co.id, 5/5/2023). On May 1, 2023, it turns out that the government claims that the average minimum wage in Indonesia has increased every year. The Ministry of Manpower of the Republic of Indonesia in its press release stated that the average minimum wage in 2020

was IDR 2.4 million. This figure continues to increase, in 2021 to IDR 2.6 million, in 2022 to IDR 2.7 million, and in 2023 the average to IDR 2.9 million (liputan6.com, 1/5/2023).

The opposite thing is unique, in the midst of continuous demands from workers, namely the warning from senior researcher of the Center for Political Research (PRP-BRIN) R. Siti Zuhro to the government which since 2013 when it was still active in Indonesian Institute of Sciences (LIPI) consistently believes that it is time to stop the demands for increased labor wages which lately tend to be unreasonable. Because if not, entrepreneurs will go bankrupt or move their investments abroad which leads to the birth of mass unemployment in Indonesia (lipi.go.id, 5/2/2013).

Actually, the wages of workers who are considered inhumane and often raised on a large scale are still better than the wages/honors/salaries of teachers and lecturers of small private foundations. Judging from their educational background, teachers are at least undergraduate and lecturers are at least master. While workers usually max out of high school, it is not uncommon to even drop out of school or not go to school at all, then the shortcut follows the equalization of Package A-B-C. Indeed, workers rely on muscles rather than the brain with a minimum duration of work of 8 hours a day. But teachers and lecturers have to use their brains more with a duration of work that is not much different from workers. It can be said that before becoming laborers, they went to school first and were taught by teachers. Then there will be no laborers if there are no teachers. Strangely, like favoritism, it is always the issue of the lack of labor income exaggerated than the income of teachers and small private lecturers. If asked to choose, surely these teachers and lecturers with small incomes want to teach in schools or state campuses as civil servants. Or at least become teachers and lecturers in schools and campuses of large and bonafide private foundations so that the salary is also large. But due to opportunities, quotas, low language competence due to lack of facilities and resources, or even fate, the choice to teach in schools and campuses of small private foundations with small salaries is inevitable and forced to be pursued to support children and families. Unfortunately, the phenomenon of the difficulties of life of teachers and lecturers of small private foundations is rarely exposed to the mass media or not as big as the echo such as the difficulties of workers' lives that are always voiced every Labour Day.

If in 2023 the government has confirmed an average minimum wage of IDR 2.9 million, then what about the fate of teachers and lecturers of small private foundations whose wages are still far below those of workers? In fact, until now there are still many teachers who are paid per month below IDR 1 million, and also there are still many lecturers who are paid per month below IDR 1.5 million, without the need to talk about that they must pass certification and diligently make research and community service programs funded by grants. This reason is related to the basic wage or basic salary which is a human right. So,

where exactly lies the existence of justice and equal distribution of welfare? Especially for teachers and lecturers who must first pay for a minimum of Strata-1 and Strata-2 tuition for at least 4-6 years of education, unlike laborers.

It is true, according to the Regulation of the Minister of Finance of the Republic of Indonesia Number 83/PMK.02/2022 concerning Input Cost Standards for Fiscal Year 2023, the salaries of honorary workers have been readjusted. The teacher honorarium category is divided into two, namely honorary teachers who come from outside the organizing work unit and honorary teachers who come from the organizing work unit. The salary of honorary teachers who come from outside the organizing work unit is IDR 300,000. Meanwhile, honorary teachers who come from within the organizing work unit are IDR 200,000. Based on data from a number of sources, the salaries of honorary teachers are differentiated according to the region and school institution where they work. For the Jakarta area, the salary of honorary elementary school teachers ranges from IDR 1.5 million to IDR 2 million per month. Meanwhile, in small cities such as districts with low income, the salary of honorary teachers ranges from IDR 250 thousand to IDR 1 million per month. In general, in other cities, the salary of honorary elementary school teachers ranges from IDR 300 thousand to IDR 1.5 million per month. For honorary junior and senior high school teachers, the amount of salary is greatly influenced by the teacher's teaching hours. The nominal hourly is determined based on the UMK of each region and also the agreement (if you don't want to say unilateral decisions) from educational institutions with their teachers. In general, honorary junior high school teachers get a salary of IDR 1.4 million assuming the amount of appreciation per teaching hour is around IDR 35 thousand plus transportation money of IDR 80 thousand and homeroom allowance of IDR 250 thousand (idxchannel.com, 27/6/2023). Subhanallah!

Because it is so urgent and fundamental about wages that it can make the condition of stability in this country threatened. He occupies a crucial position in a business chain. In the conventional economic perspective, wages are a reward for factors of production, labor. Because wages are one of the instruments in the distribution of income other than interest, rent, and profit (Huda, 2008). Interestingly, in the Western world there are no generally accepted criteria for how wages are determined, and the question of settling wages is still a highly controversial issue in modern economic literature. Conventional neo-classical economic theory states that wages are determined by the interaction between supply and demand in the labor market (Wilson, 1988).

According to Blanchard in Nurul Huda (2008), there are several things that determine the amount of wages paid to workers, including the bargaining power of workers which is influenced by two factors:

1. The amount of costs that must be borne by the company when a worker leaves the company.

2. How likely is a worker who leaves his company to find a new job.

So that the implications of these two things, it can be identified that bargaining power depends on two things, namely:

1. Skills possessed by a worker.
2. General labor market conditions.

In summary, according to Blanchard, wage efficiency is a theory that links productivity and wage efficiency. In the sense that high wages will be given by the company to workers as long as the company gets a better quality of work. Even with these high wages, workers not only provide better quality but also lower employee turnover rates.

In the long run, workers with a certain amount of wages will have less ability to buy the goods and services they need. Such a situation arises as a result of the increase in prices of goods and services. The increase in price will reduce the purchasing power of a certain number of payments.

Islam as a shamil religion, which governs all aspects of life including the economy, bases its worldview on revelation (Quran and Sunnah). Therefore, it is important to know how Islam views the problem of wages. Through this paper will be reviewed about the wage system in Islam, with the formulation of the problem in this paper is what is the definition of wages in the Islamic view? What is the principle of remuneration in Islam? How is the amount of wages determined in Islam?

### **Definition of Wages in the Western Worldview**

Wages in the meaning of the Big Dictionary Indonesian are money and so on that are paid in return for services or as payers of energy that has been spent to do something; salary; reward, or result as a result (of an action); risk (kemdikbud.go.id).

In the business world, between salary and wages are distinguished. The term salary in the Western sense is related to the monetary (financial) reward received by employees or permanent workers and paid once a month. While wages according to the Western understanding are related to the provision of rewards to irregular workers, or casual laborers, such as wages for casual laborers in oil palm plantations, wages for construction workers who are paid weekly or even daily. So in the Western sense, the difference between salary and wages lies in the type of employee (permanent or non-permanent) and the payment system (monthly or not) (Richmoslem & Kamaludin, 2011).

Conceptually, the definition of wages/compensation according to Ishak Arep and Hendri Tanjung is everything received by employees in return for the efforts that have been given to the company (Arep & Tanjung, 2003).

Afzalurrahman explained that wages can be defined as the price paid to workers for their services in producing wealth. It can also be defined as according to Benham that wages are an amount of money paid under an agreement or

contract by an employer to a worker because of the services he renders (Afzalurrahman, 2000).

Based on International Labour Organization (ILO) Convention No. 100 it is explained that wages are ordinary, principal or minimum wages or salaries and any additional element paid directly or indirectly, whether in cash or in kind, by employers to workers in relation to employment relations (Ruky, 2001).

According to the Indonesian National Wage Research Council, a wage is an acceptance in return from the giver to the recipient of employment for a job or service that has been and will be performed, serves as a guarantee of decent survival for humanity and production, is expressed or valued in terms of money established according to an agreement, law, and regulation and is paid on the basis of an employment agreement between the employer and the recipient of employment.

According to Government Regulation No. 8 of 1981, it is explained that wages are a receipt in return from employers to workers for a job or service that has been or performed, expressed or valued in the form of money determined according to an agreement or legislation and paid on the basis of an employment agreement between employers (employers) and workers including benefits for both workers themselves and their families (Government Regulation of the Republic of Indonesia No. 8 years 1981).

Meanwhile, in the Regulation of the Minister of Manpower of the Republic of Indonesia Number 3 of 1996 it is explained that wages are the staple, all periodic and regular allowances, the purchase price of supplies provided to workers, reimbursement for housing provided free of charge, and reimbursement for treatment and health care.

### **Definition of Islamic Economic System**

Sjafruddin Prawiranegara (1967) stated that what is meant by the Islamic economic system is an economic system that occurs after the economic principles that guide its work are influenced and limited by Islamic teachings. In other words, the question of the Islamic economic system is a question of the influence emitted by Islamic teachings on the economic principles that guide every economic activity, aimed at creating tools to satisfy various human needs.

This research uses a descriptive qualitative approach which is an effort to understand the various concepts found in the research process, using techniques content analysis and library research. The technique content analysis is a research method used to determine the conclusions of a text. Alternatively, in other words, content analysis is a research method that wants to express the author's ideas. Meanwhile, library research uses types and sources of secondary data obtained from reference books, research results, and articles that discuss topics related to the research theme.

## **RESULTS AND DISCUSSION**

## Definition of Wages in Islamic Wordview

Didin Hafidhuiddin and Hendri Tanjung (2008) explained the meaning of wages with pictures in the following ven diagram:

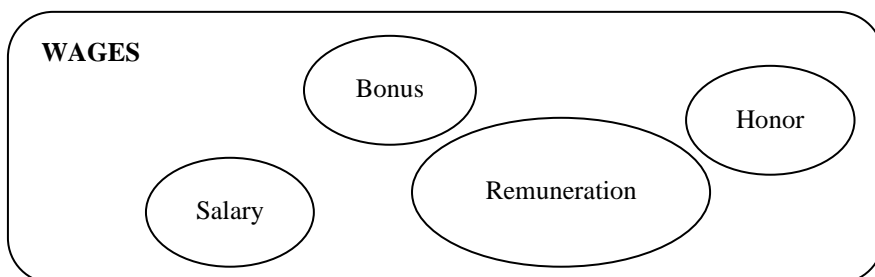


Figure 1. Diagram Ven

In the ven diagram above, wages include various kinds of rewards and compensation given by employers to workers. This effort includes various forms such as salary, honor, bonus, remuneration, and various forms of stimulants given by employers to employees.

Wages in Arabic are called al-ujrah. In terms of language al-ajru which means 'iwad (change). Therefore, al-sawab (merit) is also called al-ajru or al-ujrah (reward) (Munawwir, 2002). Al-Ajru in the world is compensation, while in the hereafter is merit. Retaliation for services rendered in exchange for the benefits of an occupation (Sabatin, 2011).

The scope of the meaning of the word al-ajru in the Qur'an can be found among others in Sura An-Nahl: 97, namely:

مَنْ عَمِلَ صَالِحًا مِنْ ذَكَرٍ أَوْ أَنْثَىٰ وَهُوَ مُؤْمِنٌ فَلَنُحْيِيَنَّهٗ حَيَاةً طَيِّبَةً وَلَنَجْزِيَنَّهُمْ أَجْرَهُمْ بِأَحْسَنِ مَا كَانُوا يَعْمَلُونَ.

"Whoever does charity, whether male or female in a state of faith, we will give him a good life and we will reward them with a better reward than what they have done." (QS. An-Nahl: 97)

The above verse explains that the reward for faith and charity is a reward that has a dimension of the world and the hereafter. Amal salih itself according to Al-Uthaymeen is all actions that are in accordance with the guidance of sharia. In this regard, working to make ends meet includes amal salih (jihad fi sabilillah) (Haritsi, 2006), as the hadith about a young man who was agile in bringing the fruits of his labor, the Prophet sallallahu 'alaihi wa sallam said of him:

وَمَا سَبِيلُ اللَّهِ إِلَّا مَنْ قُتِلَ؟ مَنْ سَعَىٰ عَلَىٰ وَالِدَيْهِ فَفِي سَبِيلِ اللَّهِ وَمَنْ سَعَىٰ عَلَىٰ عِيَالِهِ فَفِي سَبِيلِ اللَّهِ، وَمَنْ سَعَىٰ مُكَاثِرًا فَفِي سَبِيلِ الطَّاعُوتِ

"Is jihad in the cause of Allah only killed (in war)? Anyone who works to support his parents is jihad in the way of Allah. Anyone who works to support his family is jihad in the way of Allah. But whoever works for luxuries (multiplying wealth) is on the path of thaghut." (HN. Al-Bazzar No. 9879)

Furthermore, the Qur'an mentions several examples of the work of a worker who has the right to demand wages from those who benefit from his services. Some of the jobs in question are:

a. Wages for breastfeeding human babies:

فَلَا جُنَاحَ عَلَيْهِمَا وَإِنْ أَرَدْتُمْ أَنْ تَسْتَرْضِعُوا أَوْلَادَكُمْ فَلَا جُنَاحَ عَلَيْكُمْ إِذَا سَلَّمْتُمْ مَا آتَيْتُمْ بِالْمَعْرُوفِ وَاتَّقُوا اللَّهَ وَاعْلَمُوا أَنَّ اللَّهَ بِمَا تَعْمَلُونَ بَصِيرٌ

"And if you want your child to be breastfed by someone else, then there is no sin for you if you give payment according to what is due. Be fearful of Allah and know that Allah sees what you do." (QS. Al-Baqarah: 233)

b. Wages for erecting buildings:

...فَوَجَدَا فِيهَا جِدَارًا يُرِيدُ أَنْ يَنْقُضَ فَأَقَامَهُ قَالَ لَوْ شِئْتَ لَاتَّخَذْتَ عَلَيْهِ أَجْرًا

"... Then the two found in the country the wall of the house that was about to collapse, so Khidhr erected the wall. Moses said: "If you will, you will take a reward for it." (QS. Al-Kahf: 77)

c. Wages for grazing livestock:

قَالَ إِنِّي أُرِيدُ أَنْ أَنْكِحَكَ إِحْدَى ابْنَتَيَّ هَاتَيْنِ عَلَى أَنْ تَأْجُرَنِي ثَمَانِي حِجَجٍ فَإِنْ أَتَمَمْتَ عَشْرًا فَمِنْ عِنْدِكَ وَمَا أُرِيدُ أَنْ أَشُقَّ عَلَيْكَ سَتَجِدُنِي إِنْ شَاءَ اللَّهُ مِنَ الصَّالِحِينَ.

"He (Shu'aib) said, "Verily I intend to marry you to one of these two sons of mine, on the basis that you worked with me eight years and if you have ten years enough then it is (a good) from you, then I do not want to burden you. And you, God willing, find me among the good people." (QS. Al-Qashash: 27)

In addition to the verses of the Quran, the hadiths of the Prophet Sallallahu 'alaihi wa sallam also reveal a lot about the guarantee of wage rights for workers. Among them is the hadith qudsi which reads:

قَالَ اللَّهُ ثَلَاثَةٌ أَنَا خَصْمُهُمْ يَوْمَ الْقِيَامَةِ رَجُلٌ أَعْطَى بِي ثُمَّ عَدَرَ وَرَجُلٌ بَاعَ حُرًّا فَأَكَلَ ثَمَنَهُ وَرَجُلٌ اسْتَأْجَرَ أَجِيرًا فَاسْتَوْفَى مِنْهُ وَلَمْ يُعْطِ أَجْرَهُ

"Allah the Exalted says: There are three kinds of people whom I will be opponents of, namely: one who swears to Me and then he deceives; the one who



sells the free man eats money from the price; and a man who hires a worker then the worker asks for payment but is not paid." (HN. Bukhari No. 2270)

There is also a saying of the Prophet Muhammad Sallallahu 'alaihi wa sallam which affirms:

أَعْطُوا الْأَجِيرَ أَجْرَهُ قَبْلَ أَنْ يَجِفَّ عَرْفُهُ

"Pay the worker wages before he sweats dry." (HN. Ibn Majah No. 2443)

Then regarding wages for workers working in the public service sector, the Prophet (peace and blessings of Allah be upon him) said:

مَنْ كَانَ لَنَا عَامِلًا فَلْيُكْتَسَبْ رَوْجَةً فَإِنْ لَمْ يَكُنْ لَهُ خَادِمٌ فَلْيُكْتَسَبْ خَادِمًا فَإِنْ لَمْ يَكُنْ لَهُ مَسْكَنٌ فَلْيُكْتَسَبْ مَسْكَنًا ، قَالَ أَبُو بَكْرٍ أُخْبِرْتُ أَنَّ النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ قَالَ مَنْ اتَّخَذَ غَيْرَ ذَلِكَ فَهُوَ غَالٌّ أَوْ سَارِقٌ

"Whoever is our worker, let him find a wife for him. A servant, if he does not have one, should find one for him. If he has no place to live, let him find a place to live. Abu Bakr said: It was reported to me that the Prophet Muhammad (peace and blessings of Allah be upon him) said: "Whoever takes a stand other than that is an outrageous or a thief." (HN. Abu Dawud No. 2945)

Based on the description of the nash verse and hadith above, it can be concluded that in the Islamic view wages can be defined as the rewards a person receives for his work in the form of rewards in the world (fair and decent) and in the form of rewards in the hereafter (better rewards) (Tanjung, 2004).

From the long explanation above, there are at least two differences regarding the concept of wages between the West and Islam. In this respect Islam views the issue of wages as having a great deal to do with moral concepts, while the West does not. Even wages in Islam are not only limited to material (material or worldly) but to penetrate the limits of life, namely the dimension of the hereafter called merit, while the West is not.

Table 1. The concept of wages between the West and Islam

No	Aspects	Western	Islam
1	The close relationship between wages and morals	No	Yes
2	Wages have two dimensions: the world and the afterlife	No	Yes
3	Wages are given based on the principle of fairness	Yes	Yes
4	Wages are awarded based on the principle of eligibility	Yes	Yes

## The Principle of Remuneration in Islam

The basic principle of remuneration according to Islam can be taken from the wisdom contained in Sura Al-Qashash: 27-28, namely:

قَالَ إِنِّي أُرِيدُ أَنْ أُنكِحَكَ إِحْدَى ابْنَتَيَّ هَاتَيْنِ عَلَى أَنْ تَأْجُرَنِي ثَمَانِي حِجَجٍ فَإِنْ أَمَمْتَ عَشْرًا  
فَمِنْ عِنْدِكَ وَمَا أُرِيدُ أَنْ أَشُقَّ عَلَيْكَ سَتَجِدُنِي إِنْ شَاءَ اللَّهُ مِنَ الصَّالِحِينَ (٢٧) قَالَ ذَلِكَ بَيْنِي  
وَبَيْنَكَ أَيَّمَا الْأَجَلَيْنِ قَضَيْتُ فَلَا عُدْوَانَ عَلَيَّ وَاللَّهُ عَلَىٰ مَا نَقُولُ وَكِيلٌ (٢٨)

(27) He said, "Indeed, I intend to marry you to one of my two sons, on the basis that you worked with me eight years and if you have enough ten years and it is (a good) from you, then I do not want to burden you. And you inShaAllah will find me among the good people". (28) He (Moses) said, "That is (the covenant) between me and you. Whichever of the two appointed times I perfected, then there were no additional demands on me (again). And God is a witness to what we say." (QS. Al-Qashash: 27-28)

Hendri Tanjung (2012) explained that the principle of remuneration contained in the two verses above is as follows:

1. The wage agreement contract must be a voluntary agreement of both parties. That is, there is no coercion in the wage contract.
2. Wage contracts are legal (sharia agreements with rights and obligations between the two).
3. Rights and obligations must be clearly stated, including:
  - a. The level of wages, what the salary is, should be clear.
  - b. The contract period, how long, should be clear.
  - c. Types and nature of work, described in detail, what the work is.

Furthermore, Hendri Tanjung also quoted Sayyid Tahir's (2012) explanation regarding some additions to the principle of wage contracts in the Quran and Sunnah, namely:

1. The contract must be free from usury and gharar/fraud.
2. In principle, the wishes of both parties to a contract are essential for review.
3. The idea of medical benefits for employees and their families covering health and accidents may vary depending on the case.
4. Contracts that contradict sharia should be avoided and should not be negotiated, and should not be forced.
5. Minimum wages should be applied to companies that have the potential to pay employees below the minimum salary, not to all industries and businesses.

What is clear is that the remuneration of labor in the review of Islamic law is included in the issue of Fiqh Ijarah. In this case ijarah means buying and selling benefits, or in the Hanafi sense, ijarah is a contract on benefits

accompanied by rewards (Zuhaili, 2011). According to Muhammad Tahir Mansoori, there are two types of ijarah, namely ijarah al-asyya and ijarah al-asykhas. The meaning of ijarah al-asyya relates to the rental of goods such as houses, shops, land, animals, etc. While ijarah al-asykhas relates to the rental of services, such as hiring a painter to paint houses, and others (Mansoori, 2011).

Thus, it can be said that the issue of labor remuneration in Islam is included in the issue of ijarah al-asykhas. This type of ijarah based on the person hired (ajir) is divided into two types, namely: Ajir Khash and Ajir Musytarak. The typical meaning is a person who works for one person or institution for a certain amount of time. He cannot work for anyone other than the person who hired him. For example, those who work in companies or governments. While ajir musytarak are those who work for the crowd. For example, tailors, painters, and others. Wahbah Zuhaili (2011) mentioned that there are four pillars of ijarah, namely:

1. The ability to perform contracts for both contract actors,
2. Sighat, i.e. the attainment of ijarah with ijab and qabul, or which replaces both.
3. Benefits (services), which is something of value both in sharia and general custom.
4. Wages. It is required from something useful, can be handed over, and known by both parties.

### **The Amount of Wages According to Islam**

The fundamental principle in determining the amount of wages in Islam according to Sayyid Tahir is determined by the interaction of market forces on the supply and demand of labor, taking into account aspects of justice and ihsan (Kahf, 1998). In this case, it depends on the agreement of the employer (employer) and service provider (labor). The consideration of both parties must be fair and appropriate. Either party should not exploit the weak and provide wages below the standard of eligibility (Hafidhuddin & Tanjung, 2008).

Fairness and worthiness (ihsan) are two important points that Islam pays great attention to in determining the size of wages. Hendri Tanjung explained that fair means two things, namely (1) clear and transparent, (2) proportional. Clear and transparent means that before workers are hired, it must be clear first how wages are received. This includes the amount of wages and the procedure for payment. While proportional means that a person's work is reciprocated according to the weight of his work, level of expertise, and experience.

Then the feasible parameter means two things, namely (1) enough food, clothing, and shelter, (2) not far below the market. That is why wages according to Islam pay close attention to the needs of workers so that they are able to meet their primary needs. Not only enough food and clothing, but also allows them to save for the procurement (installments) of board (house) and marriage costs. Companies/employers must also not reduce workers' rights by paying wages far

below market prices. For example, if the amount of wages per month according to the market is IDR 900,000 then giving wages worth IDR 400,000 means reducing workers' rights.

In situations of an unbalanced labor market, where wages are too low for workers or otherwise too high for employers, Islam provides complete laws to ensure market equilibrium. In this regard, Ibn Taymiyyah ijihad on the need for the government to intervene in fair prices to mediate the interests of producers and consumers. In its application to the labor market, Nadvi is of the view, as quoted by Hafidhuddin and Tanjung (2008), that governments in Islamic countries can intervene into the labor market with the aim of supervising the implementation of employment contracts. Even if necessary, recommend the establishment of wage guarantee institutions, in order to maintain wage fluctuations. Therefore, there is a need for an official minimum wage standard from the government.

However, government intervention through the establishment of minimum wage standards must reflect two elements, namely marginal productivity and reflect almsgiving. Marginal productivity means that wages as part of the components that make up high and low production costs are considerations of firm efficiency. The point of reflecting on alms is that salary is not only an obligation that must be paid by the company to employees. However, considerations related to the needs and living standards of employees must be the main consideration in the preparation and policy of salary amounts.

The concept of a minimum wage should aim to protect workers from employers' arbitrariness. The standard value is based on the estimated basic needs, which include items of food, clothing, shelter, and health. According to Hendri Tanjung, this concept has been going on in Indonesia but still does not meet the needs of employees. Therefore, it needs to be refined with the concept of minimum wage according to nishab zakat. That is, if nishab zakat is adjusted to 85 grams of gold in a year, then in a month the minimum wage limit is  $85/12 = 7.083$  grams of gold. If the average price of 1 gram of gold during this year is IDR 1,000,000, then the minimum wage for 2023 is  $7,083 \times @ \text{IDR } 1,000,000 = \text{IDR } 7,083,000$ . Assuming gold price conditions are stable. In conditions where gold prices are very volatile, minimum wage adjustments can be made twice a year.

## CONCLUSION

Based on the discussion above, it can be concluded that:

1. Wages in the Islamic view are the rewards a person receives for his work in the form of rewards in the world (just and decent) and in the form of rewards in the Hereafter (better rewards).
2. The principle of remuneration in Islam is that the wage agreement contract must be a voluntary agreement of both parties, the wage contract is legal (a

sharia agreement with rights and obligations between the two), and the rights and obligations must clearly state: the level of wages, the contract period, the type, and nature of work.

3. Basically, the determination of wages in Islam is determined by the interaction of market forces on the supply and demand of labor, taking into account aspects of justice and respect.
4. The government needs to set a minimum wage price if market mechanisms are unable to realize a fair and decent wage for workers.
5. The minimum wage in Islam is determined on the basis of nishab zakat.

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