

INTEGRATING SHARIA ECONOMIC PRINCIPLES INTO
CHOCOLATE AGRIBUSINESS: A CASE STUDY OF NGLANGGERAN
VILLAGE, GUNUNGKIDUL REGENCY

Nirwasita Daniswara¹, Moh. Miradj²

¹Universitas Airlangga; ²Institut Teknologi Bandung

*nirwasita.daniswara-2023@fisisip.unair.ac.id¹, ramiskl28@gmail.com²

Abstrak: Penelitian ini mengkaji integrasi prinsip-prinsip ekonomi syariah dalam agribisnis coklat di Desa Nglanggeran, Kabupaten Gunungkidul. Desa Nglanggeran dikenal dengan model agribisnis yang unik dan berkelanjutan, menggabungkan pertanian kakao dengan pariwisata untuk meningkatkan pengembangan ekonomi lokal. Penelitian ini menggunakan metode kualitatif dan kuantitatif dengan desain studi kasus untuk menganalisis bagaimana prinsip syariah seperti keadilan (*Al-'Adl*), kemaslahatan (*Al-Maslahah*), larangan riba, dan kemitraan (*Syirkah*) diterapkan dalam praktik agribisnis. Data dikumpulkan melalui wawancara dengan pemangku kepentingan utama dan sumber sekunder, yang berfokus pada peran kelompok tani, dukungan pemerintah, dan kolaborasi kelembagaan dalam pengelolaan agribisnis. Temuan menunjukkan bahwa prinsip-prinsip syariah berkontribusi pada distribusi keuntungan yang adil dan transparan, model pembiayaan yang etis, dan praktik bisnis berkelanjutan yang selaras dengan kesejahteraan masyarakat. Penelitian ini menyoroti pentingnya pengelolaan agribisnis yang etis dan berkelanjutan sebagai alat pemberdayaan ekonomi lokal serta memberikan rekomendasi strategis untuk meningkatkan keberlanjutan agribisnis coklat melalui penerapan prinsip-prinsip syariah.

Kata kunci: Ekonomi syariah, agribisnis coklat, Desa Nglanggeran, Keberlanjutan, Pembiayaan Islam.

Abstract: This study examines the integration of Sharia economic principles into the chocolate agribusiness in Nglanggeran Village, Gunungkidul Regency. Nglanggeran Village is recognized for its unique and sustainable agribusiness model, combining cocoa

farming with tourism to enhance local economic development. The study employs both qualitative and quantitative methods, utilizing case study design to analyze how Sharia principles such as justice (Al-'Adl), benefit (Al-Maslahah), prohibition of usury, and partnership (Shirkah) are applied in agribusiness practices. Data were collected through interviews with key stakeholders and secondary sources, focusing on the role of farmer groups, government support, and institutional collaboration in agribusiness management. The findings reveal that Sharia principles contribute to a fair and transparent distribution of profits, ethical financing models, and sustainable business practices that align with community welfare. This research highlights the importance of ethical and sustainable agribusiness management as a tool for local economic empowerment and provides strategic recommendations for enhancing the sustainability of cocoa agribusiness through Sharia principles.

Keywords: *Sharia economics, Cocoa agribusiness, Nglanggeran Village, Sustainability, Islamic finance.*

Introduction

Nglanggeran Village, located in Patuk District, Gunungkidul Regency, is one of the areas with significant agribusiness potential, particularly in cocoa development. The village is known as a chocolate production center that has successfully integrated the agricultural sector with tourism, creating a unique and sustainable agro-tourism destination. Cocoa farming in Nglanggeran has experienced rapid development, supported by community initiatives and government programs, including the construction of Griya Cokelat that serves as a processing and marketing center for local chocolate products. Chocolate agribusiness development in Nglanggeran focuses not only on raw material production but also on product diversification through the application of appropriate technology.

The existence of Griya Cokelat, as a chocolate product innovation center, applies technology that increases production diversification and efficiency, thus strengthening the sustainability of community-based

agribusiness in Nglanggeran village¹. In addition, the integration of cocoa farming with agroforestry systems in Nglanggeran contributes significantly to local farmers' income. This system allows the management of cocoa crops alongside other timber crops, which not only improves farmers' welfare but also supports environmental sustainability and agribusiness sustainability in Nglanggeran².

Nglanggeran's cocoa agro-industry development strategy also relies heavily on the role of farmer groups, which contribute to the management of cocoa production from the household level to the small and medium industrial scale. Farmer group participation, supported by local government policies, is a key factor in the success of sustainable and community-based cocoa agribusiness management in the village³. With around 110 hectares of cocoa plantation, Nglanggeran Village has become a model of agribusiness development based on local resources and active community participation. The village has proven that integrative and sustainable agribusiness management can improve community welfare, making it an important example of developing an agricultural sector that is aligned with environmental conservation efforts and local economic empowerment.

Sustainability initiatives in the cocoa industry that focus on social and environmental empowerment standards are very much in line with the principles of Islamic economics. This approach not only seeks to improve economic sustainability, but also ensures that farmers' welfare and environmental

¹ Kusuma, R., Setiowati, A., R., & Saputro, A. (2023). Applying Appropriate Technology on Diversification of Chocolate-Based Food Products in Small and Medium Enterprises of Cacao-Chocolate Processing: The Case of Griya Cokelat Nglanggeran. Proceedings of the 3rd International Conference on Community Engagement and Education for Sustainable Development.

² Adhi Saputro, W., Purnomo, S., & Rahmawati, I. (2021). Contribution of agroforestry plants to farmers' income in Nglanggeran Agricultural Technology Park. *E3S Web of Conferences*, 305, 06001.

³ Septeri, D. I. (2022). Development Strategy Of Cocoa Agroindustry Based On Farmer Groups In Kapanewon Patuk Gunungkidul Regency Daerah Istimewa Yogyakarta. *Jurnal Agroindustri*, 12(1), 61–71.

protection are maintained, in line with the values of fairness and transparency in agribusiness management⁴. In addition, the integration of various systems in agribusiness, such as food, feed, fuel and fertilizer, creates an economic balance in accordance with sharia principles. This approach optimizes all aspects of management to achieve mutual benefit, supporting sustainable and ethical agribusiness with sharia principles⁵. Indirectly, this sustainability approach provides assurance that agribusiness is not only oriented towards economic profit, but also towards fair, transparent and sustainable management in accordance with sharia values⁶.

The integration of sharia economic principles in Nglanggeran's cocoa agribusiness contributes to the creation of a fair and ethical management system, ensuring that all social, economic and environmental aspects are considered in accordance with sharia values. However, sustainability initiatives in the cocoa industry often provide limited economic benefits and do not fully address market inequities and social challenges. Achieving true sustainability requires a sector transformation that emphasizes the adoption of more ethical and equitable agribusiness practices, especially in addressing unfair market access⁷. In addition, challenges in managing cocoa partnerships in Indonesia point to difficulties in aligning global economic goals with local needs.

Cultural and value differences between local and global actors are often a barrier to the adoption of more ethical and sustainable agribusiness practices. This underscores the importance of applying Islamic economic principles to

⁴ Ingram, V., Van Rijn, F., Waarts, Y., & Gilhuis, H. (2018). The impacts of cocoa sustainability initiatives in west Africa. *Sustainability*, 10(11), 4249.

⁵ Zakariah, M. A. (2020). Integration food, feed, fuel and fertilizer systems in Kolaka regency. *Jurnal At-Taghyir: Jurnal Dakwah Dan Pengembangan Masyarakat Desa*, 2(1), 30–45.

⁶ Lalwani, S. K., Nunes, B., Chicksand, D., & Boojihawon, D. K. (roshan). (2018). Benchmarking self-declared social sustainability initiatives in cocoa sourcing. *Benchmarking An International Journal*, 25(9), 3986–4008.

⁷ Ingram, V., Van Rijn, F., Waarts, Y., & Gilhuis, H. (2018). The impacts of cocoa sustainability initiatives in west Africa. *Sustainability*, 10(11), 4249.

create greater harmony in local agribusiness management⁸. Thus, this study aims to examine how sharia economic principles can be integrated in the chocolate agribusiness in Nglanggeran Village. By understanding and applying sharia principles in every aspect of agribusiness management, it is expected to create a business model that is fair, sustainable, and provides maximum benefits for the local community, both in terms of economic, social, and environmental aspects. This research also aims to offer strategic recommendations in improving the sustainability of chocolate agribusiness through a more holistic sharia approach.

Literature review

Islamic economics does not only focus on financial returns, but also emphasizes social and environmental welfare. This reflects Islamic economic principles that prioritize social justice and sustainability⁹. These basic principles of Islamic economics serve as ethical guidelines in economic practice, including in the agribusiness sector, which demands fairness in the treatment and distribution of profits, as well as responsible management of resources.

One of the first main pillars in Sharia economics is justice (Al-'Adl), which is at the core of all economic activities. This principle emphasizes justice applied in a social and economic context, reflecting the importance of fair treatment in various activities including the economy¹⁰. In the context of agribusiness, fairness means ensuring that profits and risks are shared fairly, creating a more ethical and sustainable business environment.

This principle of fairness encourages more responsible business management, reflecting the Islamic economy's commitment to equitable

⁸ Wijaya, A., Glasbergen, P., Leroy, P., & Darmastuti, A. (2018). Governance challenges of cocoa partnership projects in Indonesia: seeking synergy in multi-stakeholder arrangements for sustainable agriculture. *Environment Development and Sustainability*, 20(1), 129–153.

⁹ Kociemska, H. (2019). Public- Private Partnership: Reconciling Mainstream and Islamic Finance in sub-Saharan Africa. *Emerging Markets Finance and Trade*, 56(12), 2891–2907.

¹⁰ Malakoutikhah, Z. (2018). Iran: Sponsoring or Combating Terrorism? *Studies in Conflict & Terrorism*, 43(10), 913–939.

distribution of wealth and equal treatment of all parties¹¹. The second principle is the principle of benefit (Al-Maslahah), which is very important in Sharia economics by supporting the compatibility between Islam and democracy. This principle supports activities that prioritize the common good in various aspects, including economics, showing that the principle of benefit guides actions that bring benefits to the wider community¹².

In agribusiness, this principle emphasizes that activities must provide optimal economic, social and environmental benefits without harming one party or damaging the ecosystem. The concept of benefit emphasizes balance and the avoidance of excessive behavior, making Islamic economics an important tool in creating environmentally and socially responsible sustainable development¹³. Then the third is the principle of the prohibition of usury is a fundamental aspect in Sharia economics. The prohibition of usury is not only a legal aspect but also a moral principle underlying the Islamic economic system. Any transaction involving interest is considered invalid because it contradicts the values of justice¹⁴. In agribusiness, this prohibition encourages the use of more ethical financing models, such as mudharabah (profit-sharing) or musharakah (partnership), where profits and risks are shared proportionally. These systems support more transparent and fair economic practices, creating business structures that are more harmonious with sharia values¹⁵.

Then the last is the principle of Shirkah being the main pillar in Sharia economic practices. The principle of Shirkah applies cooperation as the basis for

¹¹ Wilson, R. (2019). Islamic economic principles. In *Oxford Research Encyclopedia of Religion*. Oxford University Press.

¹² Parray, T. A. (2012). Global Muslim Voices on Islam – Democracy Compatibility and Co-existence: A Study of the Views of Sadek Sulaiman, Louay Safi, Radwan Masmoudi, and Muqtedar Khan. *Journal of Middle Eastern and Islamic Studies (in Asia)*, 6(1), 53–86.

¹³ Kamali, M. H. (2016). Islam and Sustainable Development. *Islam and Civilisational Renewal*, 7(1), 8–26.

¹⁴ Fang, E. S. (2014). Islamic finance in global markets: Materialism, ideas and the construction of financial knowledge. *Review of International Political Economy*, 21(6), 1170–1202.

¹⁵ Wilson, R. (2019). Islamic economic principles. In *Oxford Research Encyclopedia of Religion*. Oxford University Press.

managing business in Sharia¹⁶. This certainly does not forget the importance of natural resource management must be carried out with responsibility (trust) and balance to preserve the environment¹⁷. Green investment in the Islamic economy not only promotes sustainability, but also ensures fairness in resource management, in accordance with the principles of sharia¹⁸. One example of the application of sharia principles in agribusiness is through the implementation of corporate social responsibility (CSR). The implementation of CSR in agribusiness companies based on the principles of justice and social responsibility supports better social and environmental balance¹⁹.

In addition, the agroecological approach that combines the principles of social and environmental justice with agribusiness systems shows how agribusiness can serve as a tool to achieve sustainable development. This approach encourages the empowerment of farming communities to act as agents of change in addressing the problems of unsustainable agricultural systems through holistic long-term solutions, in line with the principles of Islamic economics that emphasize wise and ethical management of natural resources²⁰.

Method

¹⁶ Lita, H. N., Mahamood, S. M. B. ., Suryamah, A. ., & Darodjat, R. . (2023). Implementation of Syirkah Principles (Partnership) in the Establishment of a Waqf Asset Management Company. *International Journal of Islamic Economics and Governance*, 4(2), 65–77.

¹⁷ Sobirin, M., & Khasanah, K. (2023). The pesantren scholars' Fatwa on global warming and climate change: An integrative analysis of Islamic law, theology, and environmental sciences on the practice of multidisciplinary Ijtihad. *Cogent Arts & Humanities*, 10(1).

¹⁸ Al-Roubaie, A., & M. Sarea, A. (2019). Green Investment and Sustainable Development: The Case of Islamic Finance. In *Journal of Islamic Business and Management (JIBM)* (Vol. 09, Issue 01).

¹⁹ Wibowo, S. A., Prastika, D., & Wahyu, M. (2021). Implementation of corporate social responsibility in companies as A form of empowerment of Islamic economic production principles. *Jurisprudentie : Jurusan Ilmu Hukum Fakultas Syariah Dan Hukum*, 8(2), 60.

²⁰ Singh Bisht, I., Chand Rana, J., Jones, S., Estrada-Carmona, N., & Yadav, R. (2022). Agroecological Approach to Farming for Sustainable Development: The Indian Scenario. In *Biodiversity of Ecosystems*.

This research uses a qualitative and quantitative approach with a case study design to explore the integration of sharia economic principles in chocolate agribusiness in Nglanggeran Village, Gunungkidul Regency. The use of this mixed method supports a more comprehensive approach in understanding complex phenomena through the incorporation of different data, thus increasing the validity and reliability of the research findings²¹. This approach allows for in-depth analysis of local practices, stakeholder engagement and the application of sharia principles in the context of rural agribusiness. Case studies provide an opportunity to explore complex experiences and social dynamics in the field, and focus on details rather than generalizations²².

The data collection methods in this study consisted of primary and secondary data. Primary data was collected through semi-structured interviews with key stakeholders, such as farmers, local businesses, government officials, and representatives of involved institutions. These interviews aimed to understand the application of sharia principles in business operations and stakeholders' perceptions of ethical business practices. The use of semi-structured interviews allows researchers to explore in-depth and rich information from appropriately selected respondents²³. Secondary data was obtained from relevant official documents, reports and previous studies, including the cocoa cluster development roadmap and economic impact assessment. Literature related to Islamic economics in agribusiness was also used to strengthen the research context.

The sampling technique used was purposive sampling, where participants were selected based on direct involvement or significant knowledge

²¹ Shantha Nair, S., & S Prem, S. (2020). A framework for mixed-method research. *Shanlax International Journal of Management*, 8(2), 45–53

²² Setia, M. (2017). Methodology series module 10: Qualitative health research. *Indian Journal of Dermatology*, 62(4), 367

²³ Lamba, N., Van Tonder, A., & Raghavan, A. (2022). Unpacking Qualitative Methodology to Explore Experiences of Mothers with Children with Autism Spectrum Disorder in the UAE: A Thematic Analysis Inquiry. In *International Journal of Qualitative Methods* (Vol. 21, p. 160940692211102).

of the chocolate agribusiness in Nglanggeran. Key participants included farmer group members, government officials related to agribusiness policy, and representatives of financial institutions that support local agribusiness. This purposive sampling approach enabled the researcher to obtain relevant and information-rich data, thereby increasing the rigor and trustworthiness of the research results²⁴.

The data obtained was analyzed using thematic analysis to identify key themes related to the integration of Shariah principles in agribusiness. The analysis focused on how principles such as justice, common good and responsible resource management are applied in the context of cocoa cultivation and chocolate production. In addition, the role of institutional support and stakeholder collaboration was evaluated based on the data collected. The systematic approach in thematic analysis helps generate meaningful interpretations of qualitative data, enhancing the quality and value of the research results²⁵.

To ensure the validity of the research, triangulation was conducted by comparing interview findings with secondary data from existing reports and literature. Member checking was also done by sharing the findings with participants to ensure the accuracy and credibility of the data. Reliability was maintained through the use of consistent interview protocols and systematic data analysis procedures, which support the credibility and reliability of findings in qualitative research²⁶.

Results and Discussion

²⁴ Campbell, S., Greenwood, M., Prior, S., Shearer, T., Walkem, K., Young, S., Bywaters, D., & Walker, K. (2020). Purposive sampling: complex or simple? Research case examples. *Journal of Research in Nursing: JRN*, 25(8), 652–661.

²⁵ Castleberry, A., & Nolen, A. (2018). Thematic analysis of qualitative research data: Is it as easy as it sounds? *Currents in Pharmacy Teaching & Learning*, 10(6), 807–815.

²⁶ Roberts, K., Dowell, A., & Nie, J.-B. (2019). Attempting rigour and replicability in thematic analysis of qualitative research data; a case study of codebook development. *BMC Medical Research Methodology*, 19(1), 66.

Nglanggeran Village, located in Patuk District, Gunungkidul Regency, is a tourist village and chocolate agribusiness center with significant potential. The village is known for its diverse topography, ranging from lowlands to hills, and has an area of approximately 762 hectares. The majority of the population works in the agricultural sector, particularly as farmers or planters.

Data shows that the majority of Gunungkidul Regency's population works in the agriculture, forestry and fisheries sector, reaching 46% of the 335,507 inhabitants. This sector plays an important role in the region's economic structure, making agriculture one of the main pillars of livelihood, including in Nglanggeran Village which is famous for its cocoa plantations and processed chocolate products.

Table 1
Percentage of Population to Business Sector in
Gunungkidul Regency

Business Sector	Percentage (%)
Agriculture, Forestry, & Fisheries	46%
Industry & Manufacturing	9.47%
Construction	10.35%
Wholesale & Retail Trade	9.41%
Other Sectors	24.77%

Source: Authors (2023)

The development of chocolate agribusiness in Nglanggeran involves farmer groups, government support, and collaboration with research institutions such as LIPI and Bank Indonesia.

This collaboration has contributed to increasing the scale and quality of chocolate products, strengthening the village's position as a highly competitive

chocolate agribusiness center²⁷. Nglanggeran Village has significant agribusiness potential, particularly in cocoa development, with a plantation area of approximately 110 hectares. The productivity of the cocoa plantation is 10.12 quintals per hectare, reflecting great potential for community-based agribusiness development. Support from the government, academics, and financial institutions such as Bank Indonesia has played a role in the development of Griya Cokelat, which is a center for processing and marketing local chocolate products, and encourages integration between the agriculture and tourism sectors in Nglanggeran village.

Nglanggeran Village has significant agribusiness potential, particularly in cocoa development, with a plantation area of approximately 110 hectares. The productivity of the cocoa plantation is 10.12 quintals per hectare, reflecting great potential for community-based agribusiness development. Support from the government, academics, and financial institutions such as Bank Indonesia has played a role in the development of Griya Cokelat, which is a center for processing and marketing local chocolate products, and encourages integration between the agriculture and tourism sectors in Nglanggeran village.

Table 2
Agricultural Area and Productivity by Commodity Type

Commodity	Area (Ha)	Productivity
Food Crops	196.98	11.85 tons/ha
Fruits	115.95	32.05 tons/ha
Plantations (Coffee & Cocoa)	110.38	10.12 quintals/ha

Source: Authors (2023)

Integration of Sharia Economic Principles in Chocolate Agribusiness Management

²⁷ Septeri, D. I. (2022). Development Strategy Of Cocoa Agroindustry Based On Farmer Groups In Kapanewon Patuk Gunungkidul Regency Daerah Istimewa Yogyakarta. In *Jurnal Agroindustri* (Vol. 12, Issue 1, pp. 61–71).

1. Application of the Principle of Justice (Al-'Adl):

The principle of justice in Islamic economics demands a fair distribution of profits among farmers, workers, and agribusiness managers. This is reflected in the profit-sharing system implemented in Nglanggeran Village, where income from the sale of chocolate products is distributed proportionally according to each party's contribution. Farmers who provide raw cocoa materials receive a share of the profits equivalent to the production results they contribute, while managers and other workers receive shares according to their roles and responsibilities.

This approach aligns with the concept of profit-sharing in Islamic economics, which aims to create a fair distribution of results and avoid the exploitation of any party. Profit-sharing based on each party's contribution can increase farmers' income and reduce the risk of inequality²⁸. The principles of justice and cooperation are the main foundations in all agricultural and trade activities, highlighting the importance of fair profit distribution to enhance collective well-being²⁹.

Furthermore, research on the profit-sharing system in the application of fiqh muamalah can help avoid unilateral losses and ensure a fair distribution of profits based on agreements between landowners and managers³⁰. This approach prevents injustice in profit distribution and ensures that each party receives their rights, in accordance with the principles of Sharia that emphasize equality and justice in business dealings.

Islamic profit-sharing systems are more effective in distributing profits and enhancing productivity and worker welfare. Thus, the profit-sharing system

²⁸ Elvianita Martanti, D., & Suprayitno, H. (2019). Nderes Profit Sharing Model On The Brown Sugar Farmers In Nglegok District Blitar Regency. In JARES (Journal of Academic Research and Sciences) (Vol. 4, Issue 2, pp. 39–50). Universitas Islam Balitar.

²⁹ Daniswara, N., & Habib, M. A. F. (2024). Kohesi Sosial Dan Ekonomi Dalam Pertanian Porang Di Desa Selur, Ponorogo. *Jurnal of Economics and Policy Studies*, 5(1), 55-65.

³⁰ Nurdin, R., Yuhermansyah, E., & Afrillia, S. (2023). A Reconnaissance Of Muamalah Fiqh On The Profit-Sharing System In Nutmeg Management (Case Study In Meukek Sub-District). In *Dusturiyah: Jurnal Hukum Islam, Perundang-undangan dan Pranata Sosial* (Vol. 13, Issue 1, p. 104).

can reduce financial risks and ensure a more equitable distribution of profits among the involved parties.

2. The Principle of Benefit (Al-Maslahah):

The management of cocoa agribusiness in Nglanggeran focuses on *maslahah*, which aims to bring optimal economic, social, and environmental benefits. Farmer empowerment programs by the government and supporting institutions, such as technical training on cocoa cultivation, product processing, and business management, aim to improve farmer productivity and welfare. Cocoa agribusiness activities in Nglanggeran, combined with other crops such as mahogany and durian, have significantly increased farmers' income. The average annual household income reaches IDR 18,120,430, with the highest contribution from certain criteria amounting to 60.32% of the total farmer income³¹.

This approach aligns with the principle of *maslahah* in Islamic economics, emphasizing maximizing benefits for the community. The principle of *maslahah* in modern business practices demonstrates its continued relevance in guiding economic activities, including agribusiness, to align with Sharia values and bring long-term benefits³². Moreover, this approach not only enhances agribusiness productivity and efficiency but also supports farmer welfare through ethical and interest-free financing³³.

The positive impact is also evident in the context of *maslahah* applied in Islamic economics, where the integration of Sharia values in agribusiness creates a balance between economic profit and social benefits for the community.

³¹ Nurdin, R., Yuhermansyah, E., & Afrillia, S. (2023). A RECONNAISSANCE OF MUAMALAH FIQH ON THE PROFIT-SHARING SYSTEM IN NUTMEG MANAGEMENT (CASE STUDY IN MEUKEK SUB-DISTRICT). In *Dusturiyah: Jurnal Hukum Islam, Perundang-undangan dan Pranata Sosial* (Vol. 13, Issue 1, p. 104).

³² Iswanto, J., Mas'ut, M., & Dianto, A. Y. (2021). IMPLEMENTATION OF MASLAHAH IN MODERN BUSINESS PRACTICES. In *Jurnal Dinamika Ekonomi Syariah* (Vol. 8, Issue 2, pp. 121–128).

³³ Bello, H. S., Galadima, I. S., & Jibrin, A.-M. A. (2018). Appraisal of the Salam Islamic Mode of Financing Agribusiness and Agriculture among Rural Farmers in Bauchi State of Nigeria. In *SocioEconomic Challenges* (Vol. 2, Issue 1).

A study highlights that e-commerce from the perspective of *maslahah mursalah* brings significant benefits to the Muslim community, particularly in agribusiness transactions, by promoting Sharia principles relevant to modern needs³⁴.

Additionally, the importance of implementing the principle of *maslahah* in economic activities is emphasized to achieve maximum benefits, both in this world and the hereafter. *Maslahah* in agribusiness guides fair and sustainable distribution of benefits and promotes a better quality of life for local communities³⁵. Thus, cocoa agribusiness in Nglanggeran not only generates economic benefits but also promotes social and environmental welfare, in line with Sharia economic principles that focus on *maslahah*.

3. Prohibition of Usury and Islamic Financial Practices:

Financial management in the cocoa agribusiness in Nglanggeran Village is structured to avoid *riba*, which is interest considered exploitative under Sharia law. Instead, Sharia financing schemes such as *mudharabah* (profit-sharing) and *musharakah* (partnership) are used, where investors and farmers share profits and risks fairly. According to research, *mudharabah* and *musharakah* financing are used as ethical alternatives to replace interest, in line with Sharia principles that prohibit *riba*³⁶.

This approach provides financing support from Islamic financial institutions or through grants that do not involve interest, helping the agribusiness to grow without burdening farmers with heavy interest obligations.

This principle emphasizes support from government programs and the private sector through CSR, which strengthens institutional structures and community capacity, helping agribusinesses to develop while minimizing

³⁴ Shah, H. S., & Susilo, A. (2022). E-COMMERCE ON THE STUDY OF MASLAHAH MURSALAH (A REVIEW FROM AN ISLAMIC ECONOMIC PERSPECTIVE). In Tasharruf: Journal Economics and Business of Islam (Vol. 7, Issue 1, p. 17).

³⁵ Fageh, A. (2021). Contextualization of *Maslahah Jasser Auda's* Thought in Islamic Economy. In Indonesian Interdisciplinary Journal of Sharia Economics (IJSE) (Vol. 4, Issue 1, pp. 132–155).

³⁶ Balz, K., & Saeed, A. (2000). Islamic Banking and Interest: A Study of the Prohibition of *Riba* and Its Contemporary Interpretation. In Journal of Law and Religion (Vol. 15, Issue 1/2, p. 481).

dependence on interest and ensuring local economic sustainability³⁷. Mudharabah financing schemes have been proven to positively impact profitability without involving interest elements, demonstrating that this system can benefit both parties. This approach creates a more ethical financial system in line with Sharia principles, which emphasize fair sharing of risks and profits in business partnerships and avoid exploitative practices prohibited in Islam³⁸.

4. Principle of Partnership (Shirkah):

The application of the syirkah principle in agribusiness reflects efforts to build fair and transparent partnerships between farmers, the government, and other supporting institutions. A concrete example of this application can be seen in the collaboration between Griya Cokelat Nglanggeran, Bank Indonesia, and LIPI, where each party significantly contributes to the development of agribusiness, including in the provision of capital, training, and product development.

The implementation of the syirkah principle allows for balanced sharing of responsibilities and profits in partnerships, emphasizing collective decision-making without domination by any one party. This approach fosters sustainable and mutually beneficial business relationships³⁹. Furthermore, the syirkah maza'arah model in agribusiness has been proven to support microeconomic growth through fair profit-sharing mechanisms between landowners and managers, highlighting the importance of balanced partnerships in building a just economic system⁴⁰. The application of syirkah schemes such as mudharabah and musharakah, where all parties share risks and profits transparently and fairly,

³⁷ Daniswara, N. (2024). PEMBANGUNAN WILAYAH SECARA ENDOGEN SEBAGAI UPAYA DALAM MEWUJUDKAN POTENSI DESA WISATA. In SOSEBI Jurnal Penelitian Mahasiswa Ilmu Sosial Ekonomi dan Bisnis Islam (Vol. 4, Issue 1, pp. 78–93).

³⁸ Bertillo, Dr. J. B., & salando, josefina bertillo. (2013). Principles and Practice of Islamic Finance Systems. In SSRN Electronic Journal

³⁹ Cahyadi, W. D. (2021). Kemitraan Produksi Benih Jagung Hibrida Antara PT. Agri Makmur Pertiwi, Agen (Grower) dan Kelompok Tani Sidodadi di Kecamatan Prambanan Kabupaten Sleman. In Proceedings Series on Physical & Formal Sciences (Vol. 2, pp. 324–337).

⁴⁰ Fauji, I., Masruchin, M., Krisnaningsih, D., Aprilia, Y., & Rahmansyah, P. (2023). Syirkah Maza'arah Business Model for Economic Recovery: A Case Study of D'Durian Park. In Indonesian Journal of Law and Economics Review (Vol. 18, Issue 3).

aligns with Sharia values in agribusiness management that focus on principles of justice and collaboration⁴¹.

Additionally, public-private partnerships in the agribusiness sector demonstrate that fair and transparent collaboration can enhance competitiveness and sustainability, with each party contributing according to their competencies and needs, thus creating shared benefits without domination⁴². In this context, law and ethics serve as complementary pillars to ensure that partnerships are conducted with principles of transparency and justice, avoiding exploitative practices that could harm any party⁴³. Thus, partnerships built on the *syirkah* principle not only support economic sustainability but also strengthen the foundations of justice and balance in agribusiness management.

Conclusion

Integration of Sharia economic principles in the management of the cocoa agribusiness in Nglanggeran Village, focusing on justice, *masalah*, prohibition of *riba*, and partnership (*syirkah*), has created a fair, transparent, and sustainable agribusiness system that not only prioritizes economic profit but also emphasizes social welfare and environmental sustainability. Through financing models such as *mudharabah* and *musharakah*, the agribusiness in Nglanggeran has been able to avoid *riba* practices and establish a more ethical financial structure. Partnerships between farmers, the government, and supporting institutions strengthen synergies that allow for proportional sharing of risks and profits. This approach aligns with the principle of *masalah* in Islamic economics, which emphasizes fair distribution of benefits and avoids exploitation of any party. The study also shows that the application of *syirkah* in

⁴¹ Hadi, R. (2018). Transformation and Implementation of Sharia Principles In Management of Rural Agribusiness Business Development Programs. In *Ijtima' iyya Journal of Muslim Society Research* (Vol. 3, Issue 2, pp. 167–179).

⁴² Tireuov, K. M., Aitkhozhaeva, G. S., & Aitmukhanbetova, D. A. (2023). Models, forms and mechanisms of public-private partnership for the creation of competitive enterprises in agricultural sector. In *Problems of AgriMarket* (Issue 2, pp. 52–61).

⁴³ Daniswara et al. (2024). *Pendidikan Anti Korupsi*.

agribusiness can enhance the sector's competitiveness and sustainability, with each party contributing according to their competencies and roles. Capacity building through training and support from Islamic financial institutions also contributes to increased productivity and the welfare of farmers, while simultaneously strengthening community-based agribusiness structures. Cocoa agribusiness based on Sharia economic principles in Nglanggeran not only provides economic benefits but also promotes justice, balance, and sustainability. However, ongoing efforts are needed to ensure the consistent implementation of these principles in practice, as well as policy adjustments that support the transformation of the agribusiness sector towards a more inclusive and ethical model.

REFERENCES

- Adhi Saputro, W., Purnomo, S., & Rahmawati, I. (2021a). Contribution of agroforestry plants to farmers' income in Nglanggeran Agricultural Technology Park. *E3S Web of Conferences*, 305, 06001. <https://doi.org/10.1051/e3sconf/202130506001>
- Adhi Saputro, W., Purnomo, S., & Rahmawati, I. (2021b). Contribution of agroforestry plants to farmers' income in Nglanggeran Agricultural Technology Park. *E3S Web of Conferences*, 305, 06001. <https://doi.org/10.1051/e3sconf/202130506001>
- Al-Roubaie, A., Professor of Economics College of Business and Finance Ahlia University Manama Bahrain, D. of A. & E., M. Sarea, A., & Associate Professor College of Business and Finance Ahlia University Manama Bahrain, D. of A. & E. (2019). Green investment and sustainable development: The case of Islamic finance. *Journal of Islamic Business and Management*, 09(01). <https://doi.org/10.26501/jibm/2019.0901-002>
- Ardi Kusuma, R., Diah Setiowati, A., Dwi Saputro, A., & Mada, G. (n.d.). *Applying Appropriate Technology on Diversification of Chocolate Based Food Products in Small and Medium Enterprises of Cacao Chocolate Processing: The Case of Griya Cokelat Nglanggeran*. <https://doi.org/10.21467/proceedings.151>
- Balz, K., & Saeed, A. (2000). Islamic banking and interest: A study of the prohibition of Riba and its contemporary interpretation. *The Journal of Law and Religion*, 15(1/2), 481. <https://doi.org/10.2307/1051551>
- Bello, H. S., Bauchi, A. T. A. P., Galadima, I. S., Jibrin, A.-M. A., Studies, A. D. R. C. of L. and I., & University, A. T. B. (2018). Appraisal of the Salam Islamic mode of financing agribusiness and agriculture among rural farmers in Bauchi state of Nigeria. *Socioeconomic Challenges*, 2(1). [https://doi.org/10.21272/sec.2\(1\).56-62.2018](https://doi.org/10.21272/sec.2(1).56-62.2018)

- Bertillo, D. J. B., & Salando, J. B. (2013). Principles and practice of Islamic finance systems. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.1880028>
- Cahyadi, W. D. (2021). Kemitraan Produksi Benih Jagung Hibrida Antara PT. Agri Makmur Pertiwi, Agen (Grower) dan Kelompok Tani Sidodadi di Kecamatan Prambanan Kabupaten Sleman. *Proceedings Series on Physical & Formal Sciences*, 2, 324–337. <https://doi.org/10.30595/pspfs.v2i.206>
- Campbell, S., Greenwood, M., Prior, S., Shearer, T., Walkem, K., Young, S., Bywaters, D., & Walker, K. (2020). Purposive sampling: complex or simple? Research case examples. *Journal of Research in Nursing: JRN*, 25(8), 652–661. <https://doi.org/10.1177/1744987120927206>
- Castleberry, A., & Nolen, A. (2018). Thematic analysis of qualitative research data: Is it as easy as it sounds? *Currents in Pharmacy Teaching & Learning*, 10(6), 807–815. <https://doi.org/10.1016/j.cptl.2018.03.019>
- Daniswara, N. (2024). PEMBANGUNAN WILAYAH SECARA ENDOGEN SEBAGAI UPAYA DALAM MEWUJUDKAN POTENSI DESA WISATA. *SOSEBI Jurnal Penelitian Mahasiswa Ilmu Sosial Ekonomi Dan Bisnis Islam*, 4(1), 78–93. <https://doi.org/10.21274/sosebi.v4i1.9235>
- Daniswara, N., & Habib, M. A. F. (2024). KOHESI SOSIAL DAN EKONOMI DALAM PERTANIAN PORANG DI DESA SELUR, PONOROGO. *Journal of Economics and Policy Studies*, 5(1), 55–65.
- Daniswara, N., Wibowo, A., Kiptyah, N. M., Khikmah, S. N., Farhana, H., Lindiawatie, L., Surachman, A., & Enala, S. H. (2024). *Pendidikan Anti Korupsi*.
- Elvianita Martanti, D., & Suprayitno, H. (2019). Nderes profit sharing model on the brown sugar farmers in Nglegok district Blitar Regency. *Journal of Academic Research and Sciences (JARES)*, 4(2), 39–50. <https://doi.org/10.35457/jares.v4i2.841>
- Fageh, A. (2021). Contextualization of Maslahah Jasser Auda's thought in Islamic economy. *Indonesian Interdisciplinary Journal of Sharia Economics*, 4(1), 132–155. <https://doi.org/10.31538/ijse.v4i1.1344>
- Fang, E. S. (2014). Islamic finance in global markets: Materialism, ideas and the construction of financial knowledge. *Review of International Political Economy*, 21(6), 1170–1202. <https://doi.org/10.1080/09692290.2013.858229>
- Fauji, I., Masruchin, M., Krisnaningsih, D., Aprilia, Y., & Rahmansyah, P. (2023). Syirkah Maza'arah business model for Economic Recovery: A case study of D'Durian Park. *Indonesian Journal of Law and Economics Review*, 18(3). <https://doi.org/10.21070/ijler.v18i3.948>
- Hadi, R. (2018). Transformation and implementation of sharia principles in management of rural agribusiness business development programs. *Ijtima' Iyya Journal of Muslim Society Research*, 3(2), 170–178. <https://doi.org/10.24090/ijtima'iyya.v3i2.1944>
- Ingram, V., Van Rijn, F., Waarts, Y., & Gilhuis, H. (2018). The impacts of cocoa sustainability initiatives in west Africa. *Sustainability*, 10(11), 4249. <https://doi.org/10.3390/su10114249>

- Iswanto, J., Mas'ut, M., & Dianto, A. Y. (2021). IMPLEMENTATION OF MASLAHAH IN MODERN BUSINESS PRACTICES. *Jurnal Dinamika Ekonomi Syariah*, 8(2), 121–128. <https://doi.org/10.53429/jdes.v8i2.232>
- Kamali, M. H. (2016). Islam and Sustainable Development. *Islam and Civilisational Renewal*, 7(1), 8–26. <https://doi.org/10.12816/0027165>
- Kociemska, H. (2020). Public- Private Partnership: Reconciling Mainstream and Islamic Finance in sub-Saharan Africa. *Emerging Markets Finance and Trade*, 56(12), 2891–2907. <https://doi.org/10.1080/1540496X.2019.1695594>
- Lalwani, S. K., Nunes, B., Chicksand, D., & Boojihawon, D. K. (roshan). (2018). Benchmarking self-declared social sustainability initiatives in cocoa sourcing. *Benchmarking An International Journal*, 25(9), 3986–4008. <https://doi.org/10.1108/bij-07-2017-0186>
- Lamba, N., Van Tonder, A., & Raghavan, A. (2022). Unpacking qualitative methodology to explore experiences of mothers with children with Autism Spectrum Disorder in the UAE: A thematic analysis inquiry. *International Journal of Qualitative Methods*, 21, 16094069221110295. <https://doi.org/10.1177/16094069221110295>
- Lita, H. N., Mahamood, S. M. B., Suryamah, A., & Darodjat, R. (2023). Implementation of Syirkah Principles (Partnership) in the Establishment of a Waqf Asset Management Company. *International Journal of Islamic Economics and Governance*, 4(2), 65–77. <https://doi.org/10.58932/MULD0031>
- Malakoutikhah, Z. (2020). Iran: Sponsoring or Combating Terrorism? *Studies in Conflict & Terrorism*, 43(10), 913–939. <https://doi.org/10.1080/1057610X.2018.1506560>
- Nurdin, R., Yuhermansyah, E., & Afrillia, S. (2023). A reconnaissance of muamalah fiqh on the profit-sharing syistem in nutmeg management (case study in Meukek Sub-district). *Dusturiyah: Jurnal Hukum Islam, Perundang-Undangan Dan Pranata Sosial*, 13(1), 104. <https://doi.org/10.22373/dusturiyah.v13i1.18447>
- PARRAY, T. A. (2012). Global Muslim Voices on Islam – Democracy Compatibility and Co-existence: A Study of the Views of Sadek Sulaiman, Louay Safi, Radwan Masmoudi, and Muqtedar Khan. *Journal of Middle Eastern and Islamic Studies (in Asia)*, 6(1), 53–86. <https://doi.org/10.1080/19370679.2012.12023198>
- Roberts, K., Dowell, A., & Nie, J.-B. (2019). Attempting rigour and replicability in thematic analysis of qualitative research data; a case study of codebook development. *BMC Medical Research Methodology*, 19(1), 66. <https://doi.org/10.1186/s12874-019-0707-y>
- Septeri, D. I. (2022a). DEVELOPMENT STRATEGY OF COCOA AGROINDUSTRY BASED ON FARMER GROUPS IN KAPANEWON PATUK GUNUNGKIDUL REGENCY DAERAH ISTIMEWA YOGYAKARTA. *Jurnal Agroindustri*, 12(1), 61–71. <https://doi.org/10.31186/j.agroindustri.12.1.61-71>
- Septeri, D. I. (2022b). DEVELOPMENT STRATEGY OF COCOA AGROINDUSTRY BASED ON FARMER GROUPS IN KAPANEWON

PATUK GUNUNGKIDUL REGENCY DAERAH ISTIMEWA YOGYAKARTA. *Jurnal Agroindustri*, 12(1), 61–71. <https://doi.org/10.31186/j.agroindustri.12.1.61-71>

- Setia, M. (2017). Methodology series module 10: Qualitative health research. *Indian Journal of Dermatology*, 62(4), 367. https://doi.org/10.4103/ijd.ijd_290_17
- Shah, H. S., & Susilo, A. (2022). E-commerce on the study of masalah mursalah (a review from an Islamic economic perspective). *Tasharruf: Journal Economics and Business of Islam*, 7(1), 17. <https://doi.org/10.30984/tjebi.v7i1.1944>
- Shantha Nair, S., & S Prem, S. (2020). A framework for mixed-method research. *Shanlax International Journal of Management*, 8(2), 45–53. <https://doi.org/10.34293/management.v8i2.3220>
- Singh Bisht, I., Chand Rana, J., Jones, S., Estrada-Carmona, N., & Yadav, R. (2022). Agroecological approach to farming for sustainable development: The Indian scenario. In *Biodiversity of Ecosystems*. IntechOpen. <https://doi.org/10.5772/intechopen.100281>
- Sobirin, M., & Khasanah, K. (2023). The pesantren scholars' Fatwa on global warming and climate change: An integrative analysis of Islamic law, theology, and environmental sciences on the practice of multidisciplinary Ijtihad. *Cogent Arts & Humanities*, 10(1), 2193023. <https://doi.org/10.1080/23311983.2023.2193023>
- University, S. S. K. A. T. R., Tireuov, K. M., Aitkhozaeva, G. S., University, K. N. A. R., Aitmukhanbetova, D. A., & University, K. N. A. R. (2023). Models, forms and mechanisms of public-private partnership for the creation of competitive enterprises in agricultural sector. *Problems of AgriMarket*, 2, 52–61. <https://doi.org/10.46666/2023-2.2708-9991.05>
- Wibowo, S. A., Prastika, D., & Wahyu, M. (2021). Implementation of corporate social responsibility in companies as A form of empowerment of Islamic economic production principles. *Jurisprudentie: Jurusan Ilmu Hukum Fakultas Syariah Dan Hukum*, 8(2), 60. <https://doi.org/10.24252/jurisprudentie.v8i2.23526>
- Wijaya, A., Glasbergen, P., Leroy, P., & Darmastuti, A. (2018). Governance challenges of cocoa partnership projects in Indonesia: seeking synergy in multi-stakeholder arrangements for sustainable agriculture. *Environment Development and Sustainability*, 20(1), 129–153. <https://doi.org/10.1007/s10668-016-9874-8>
- Wilson, R. (2019). Islamic economic principles. In *Oxford Research Encyclopedia of Religion*. Oxford University Press. <https://doi.org/10.1093/acrefore/9780199340378.013.687>
- Zakariah, M. A. (2020). Integration food, feed, fuel and fertilizer systems in Kolaka regency. *Jurnal At-Taghyir: Jurnal Dakwah Dan Pengembangan Masyarakat Desa*, 2(1), 30–45. <https://doi.org/10.24952/taghyir.v2i1.1851>