

## Deciphering Economic Fatwas in Muhammadiyah: A Comprehensive Qualitative Analysis from 1950 to 2017

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### Keywords:

Fatwas; Economy; Tarjih and Tajdid Council; Muhammadiyah

### Kata Kunci:

Fatwa; Ekonomi; Majelis Tarjih dan Tajdid; Muhammadiyah

### Abstract:

This study examines the evolution of fatwas issued by the Tarjih and Tajdid Council the Central Executive of Muhammadiyah in the economic sector from 1950 to 2017. This topic was chosen because of the significant impact of these fatwas in shaping economic practices among the Muhammadiyah community, especially in responding to social and economic changes over the past few decades. This research uses a qualitative method by collecting data from various sources, including books, articles, journals, and official documents of the Tarjih Council. The data obtained was analyzed in depth to map the distribution of fatwas, as well as explore the theoretical foundations and arguments of scholars used in the formulation of these fatwas. In its analysis, this study adopts the theory of fiqh to understand the basis of thinking behind fatwa decisions. The results of the study show that the fatwas of the Tarjih Council and the Central Executive of Tajdid Muhammadiyah in the economic sector during the period were divided into three main areas: Social Economy, Banking, and Investment. As-Sunnah (Hadith) is the basis that is most often referred to in these fatwas. In addition, this study identifies that the opinion of the Hanafi School is more dominant compared to other schools. This research contributes to increasing the understanding of fatwas in the economic field formulated by the Tarjih Council and the Central Executive of Muhammadiyah Tajdid, as well as showing a strict and selective process in issuing fatwas, especially in the economic sector.

### Abstrak:

Penelitian ini mengkaji evolusi fatwa-fatwa yang dikeluarkan oleh Majelis Tarjih dan Tajdid Pimpinan Pusat Muhammadiyah di bidang ekonomi dari tahun 1950 hingga 2017. Topik ini dipilih karena dampak yang signifikan dari fatwa-fatwa tersebut dalam membentuk praktik ekonomi di kalangan masyarakat Muhammadiyah, terutama dalam merespons perubahan sosial dan ekonomi selama beberapa dekade terakhir. Penelitian ini menggunakan metode kualitatif dengan mengumpulkan data dari berbagai sumber, termasuk buku, artikel, jurnal, dan dokumen resmi Majelis Tarjih. Data yang diperoleh dianalisis secara mendalam untuk memetakan sebaran fatwa, serta menggali landasan teori dan argumentasi ulama yang digunakan dalam perumusan fatwa-fatwa tersebut. Dalam analisisnya, studi ini mengadopsi teori fikih untuk memahami dasar pemikiran di balik keputusan fatwa. Hasil penelitian menunjukkan bahwa fatwa-fatwa Majelis Tarjih dan Tajdid PP Muhammadiyah di bidang ekonomi selama periode tersebut terbagi menjadi tiga bidang utama: Ekonomi Sosial, Perbankan, dan Investasi. As-Sunnah

(Hadis) merupakan dasar yang paling sering dirujuk dalam fatwa-fatwa tersebut. Selain itu, penelitian ini mengidentifikasi bahwa pendapat Mazhab Hanafi lebih dominan dibandingkan dengan mazhab-mazhab lainnya. Penelitian ini berkontribusi dalam meningkatkan pemahaman terhadap fatwa-fatwa di bidang ekonomi yang dirumuskan oleh Majelis Tarjih dan Tajdid Pimpinan Pusat Muhammadiyah, serta menunjukkan adanya proses yang ketat dan selektif dalam mengeluarkan fatwa, khususnya di bidang ekonomi.

## A. Introduction

One of the products of Muhammadiyah is a fatwa in terms of economics, which aims to solve various problems in the economic field that are being experienced by the community so that these problems can be immediately overcome and solved properly.<sup>1</sup> The emphasis on economic fatwas is based on the important role these fatwas play in guiding financial and economic practices within the Muslim community. Economic fatwas provide clarity and direction on various issues, ensuring that financial activities are in accordance with sharia principles. Given the increasing complexity of economic problems in the modern era, understanding the development and impact of these fatwas is very important to maintain economic practices that are in accordance with Sharia.<sup>2</sup>

Muhammadiyah, through the Tarjih and Tajdid Council (MTT), has become an important institution in issuing fatwas that deal with contemporary issues, including in the economic sector.<sup>3</sup> The fatwas formulated by MTT Muhammadiyah not only focus on worship but are also related to muamalah. In the economic field, many problems become gaps among people because these problems are not solved properly or in accordance with sharia principles.<sup>4</sup> The authority of the MTT and the strict process they undergo in formulating fatwas make it a crucial subject of research. In contrast to other institutions, the fatwas of MTT Muhammadiyah are not only reactive but also proactive in dealing with emerging economic issues, thus giving a significant influence on the wider Islamic economic discourse.<sup>5</sup>

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<sup>1</sup> Syafiq Hasyim, "Prioritizing Life over Religion in Indonesia's Covid-19 Fatwas: The Fatwas of NU, Muhammadiyah, and MUI," *Studia Islamika* 30, no. 3 (2023).

<sup>2</sup> Qosim Arsdani et al., "The Progressiveness of Sharia Economic Fatwas: Direction of Islamic Legal Thoughts within NU and Muhammadiyah," *AHKAM: Jurnal Ilmu Syariah* 24, no. 1 (2024): 153–70, <https://doi.org/10.15408/ajis.v24i1.37775>.

<sup>3</sup> M S Apriantoro et al., "Beyond Mortgages: Islamic Law and The Ethics of Credit Financing for Public Housing. Profetika: Jurnal Studi Islam, 24 (02), 196–206," 1795.

<sup>4</sup> Juliana Nasution, Muhammad Idris Nasution, and Abdullah Alfikri Muradla, "Modernizing Zakat in Indonesia, from Masdar Farid Mas' Udi, Safwan Idris, and Didin Hafidhuddin," *Subuf* 36, no. 1 (2024): 55–65.

<sup>5</sup> Syamsul Anwar, "Purification and Dynamization: A Study Of," *Islam Zeitschrift Für Geschichte Und Kultur Des Islamischen Orients*, 2005, 27–45.

Until now, there have been many fatwas issued by MTT Muhammadiyah, especially in the economic sector. In the economic field itself, of course, there are so many discussions on various issues that are answered through fatwas issued by MTT Muhammadiyah. The fatwa contains various sectors that are quite complex in the economic field with the aim that the community is able to reconcile in accordance with sharia. With the fatwas of MTT Muhammadiyah, especially in the economic sector, it shows that the Muhammadiyah organization still exists following the times, with various problems in life, and indicates that the economy is one of the influential fields in Muhammadiyah's activities.<sup>6</sup> From the various descriptions of the explanation above, this underlies the author to want to conduct research related to the fatwas of MTT Muhammadiyah, especially in the field of economics. From the data obtained from 1950 to 2017, there were 139 Muhammadiyah MTT fatwas incorporated in the economic sector. This shows that problems in the economic sector are important pillars in social life that are so varied until modern times that must be resolved immediately.<sup>7</sup>

Existing literature on economic fatwas often discusses general principles and their application.<sup>8</sup> However, there are still few comprehensive studies that specifically examine the fatwas issued by MTT Muhammadiyah in the economic sector. While some academics have touched on the role of fiqh in economic matters, the specific contributions of MTT Muhammadiyah, especially how they navigate complex economic issues over time, have not been analyzed in depth. The dialectic and debate surrounding the interpretation and application of these fatwas also requires further exploration, as it reflects a broader discussion in Islamic economics.

This research aims to fill the academic gap by providing an in-depth analysis of the economic fatwas issued by MTT Muhammadiyah from 1950 to 2017. The novelty of this study lies in its focus on mapping the distribution of these fatwas, examining the considerations and opinions of the scholars who underpinned them, and identifying the unique contribution of MTT Muhammadiyah in the field of Islamic economics. Thus, this research not only enriches

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<sup>6</sup> Diwanti, Dyah Pikanthi, Erna Andriyani, and Rahmadhani Santi Herawati. "Pemberdayaan Perempuan Melalui Bina Usaha Ekonomi Keluarga 'Aisyiyah (BUEKA)." *NUSANTARA: Jurnal Ilmu Pengetahuan Sosial* 6, no. 2 (2019): 194-207.

<sup>7</sup> Rahmah, Syarifah, and Rozi Irfan Rosyadhi. "Unlocking HAMKA's Insights on Inner Peace in Tafsir al-Azhar." *SUHUF* 35, no. 2 (2023): 39-49.

<sup>8</sup> Ansori, "Position of Fatwa in Islamic Law: The Effectiveness of MUI, NU, and Muhammadiyah Fatwas," *Ijtihad: Jurnal Wacana Hukum Islam Dan Kemanusiaan* 22, no. 1 (2022): 53-71, <https://doi.org/10.18326/ijtihad.v22i1.53-71>.

our understanding of the role of fatwas in economic life, but also provides new insights into the evolving nature of fiqh in responding to modern economic challenges.<sup>9</sup>

## **B. Method**

In this study, the author uses a qualitative research method that prioritizes the validity of the analyzed data.<sup>10</sup> This method aims to examine the development of Muhammadiyah MTT fatwas in the economic field from 1950 to 2017 and explore the arguments and opinions of scholars used in formulating these fatwas. The methodological steps used include a descriptive approach to describe in detail the development of the economic fatwa of MTT Muhammadiyah, data collection through literature studies from various sources such as books, articles, journals, and official documents of MTT Muhammadiyah, as well as identification and categorization of fatwas based on economic sectors, such as social economy, banking, and investment. The analysis of the distribution of fatwas is carried out to understand its distribution from year to year and in various sectors of the economy through the creation of tables and diagrams. Furthermore, the reasoning propositions used in formulating fatwas, including references to the Qur'an, As-Sunnah (Hadith), Ijma', Qiyas, Rules of Fiqh, 'Urf, Mashlahah Mursalah, Sadduz Dzari'ah, and other sources of Islamic law, are explored and analyzed. The opinions of scholars from the four main schools of Sunni Islam—Shafi'i, Hambali, Hanafi, and Maliki—are also analyzed in particular. The results of the analysis are presented in the form of tables and diagrams to facilitate the understanding of the development of fatwas, considerations, and the use of ulama opinions in the formulation of economic fatwas by MTT Muhammadiyah. The data that has been presented is then interpreted and concluded to describe the trend of fatwa development, the use of reasoning propositions, and the representation of scholarly opinions in the context of economic fatwas by MTT Muhammadiyah. By using this method, it is hoped that a deep understanding of the process of making fatwas and the use of Islamic legal sources by MTT Muhammadiyah in the economic context can be obtained.

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<sup>9</sup> Syarifah Rahmah and Rozi Irfan Rosyadhi, "Unlocking HAMKA's Insights on Inner Peace in Tafsir Al-Azhar," *SUHUF* 35, no. 2 (2023): 39–49.

<sup>10</sup> Alireza Koochpaei et al., "Investigating the Implementation Challenges of the Research Doctoral Program and Providing Related Solutions: A Qualitative Study," *BMC Medical Education* 24, no. 1 (2024), <https://doi.org/10.1186/s12909-024-05815-2>.

### C. Result

The results of this study show that the fatwas issued by MTT Muhammadiyah in the period from 1950 to 2017 in the economic field can be classified into three main sectors: Social Economy, Banking, and Investment. Of the total 139 fatwas issued, most, or 75%, focused on the Social Economy sector, reflecting Muhammadiyah's main concern for fundamental socio-economic issues, such as the law of zakat, hajj, bribery, and debt. This shows that people often face problems in this sector, especially related to the implementation of zakat that is right on target in accordance with Islamic law. The Investment and Banking sector received less attention, reflecting that issues in these areas may not be as much or as important as those in the Social Economy sector. This study also reveals that the fatwas issued by MTT Muhammadiyah are based on various sources of valid Islamic law, including the Qur'an, As-Sunnah (Hadith), Ijma', Qiyas, and other fiqh rules. The decision-making process in the formulation of fatwas is carried out very carefully and considers various propositions of consideration relevant to Islamic law methodology. In addition, MTT Muhammadiyah also uses various opinions of scholars from the four main schools of Sunni Islam—Shafi'i, Hambali, Hanafi, and Maliki—to ensure that the fatwas issued reflect the diverse views of Islamic law. This approach shows MTT Muhammadiyah's commitment in responding to various socio-economic challenges that develop in society by adhering to the basic principles of Islamic law, as well as trying to integrate Islamic teachings with practical challenges and the needs of modern society.

### D. Analysis and Discussion

#### 1. Mapping of Muhammadiyah MTT Fatwa in the Economic Sector

Table 1. MTT Fatwa Mapping

Sector	Number of Fatwas
Sosial Economy	110
Banking	5
Investment	24
Total	139

The above shows about the Fatwa Mapping of the MTT Muhammadiyah, especially in the economic sector from 1950 to 2017. Based on the data found by the author, it can be concluded in outline that, the Fatwas of the Tarjih Council and Tajdid Central Leadership of Muhammadiyah in the economic sector can be mapped into 3 sectors. These sectors are Social Economy, Banking, and Investment. The number of fatwas of the Tarjih Council and Tajdid of the Central Leadership of Muhammadiyah in the economic sector is the most from the Social Economy sector, which is 110 fatwas. Then in second position, namely the Investment sector with 24 fatwas, and finally the Banking sector with 5 fatwas. Overall, the Fatwas of the Tarjih Council and Tajdid of the Central Leadership of Muhammadiyah, especially in the economic sector, from 1950 to 2017 amounted to 139 fatwas. It can be concluded that from the range of 1950 to 2017 problems in the social economic sector were more dominant than the Investment and Banking sectors.

Based on the table, it can be seen that the fatwas of the Tarjih Council and Tajdid Muhammadiyah spread in 3 sectors, namely Social Economy, Banking, and Investment from 1950 to 2017 were dominated by fatwas in the Social Economy sector. Various problems in the economic sector are encountered by the community, especially in problems related to Zakat law, Hajj, bribery, debt, and so on. Especially in the issue of zakat which is still underestimated by the community, it turns out that there are still many problems that arise in this sector, both from how to fulfill it and those who have the right to pay or receive zakat. Zakat distributed must be right on target by prioritizing the poor as recipients and awareness is needed so that it can be practiced according to Islamic law.<sup>11</sup> The benefits of zakat, especially from the economic side, include being able to overcome the hoarding of wealth by Muslims.<sup>12</sup> This can be carried out by distributing zakat by official zakat institutions in the midst of the community. However, there is still a sense of doubt for zakat givers to zakat institutions, thus encouraging them to distribute their own zakat.<sup>13</sup> Of course, this is a special concern for MTT Muhammadiyah, especially in the Social Economy sector to solve problems in society through existing fatwas.

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<sup>11</sup> S Ridha et al., "Management of Zakat Funds for Education Sharia Economic Law Perspective," *Demak Universal Journal of Islam and Sharia* 2, no. 1 (2024): 27–36, <https://journal.walideminstitute.com/index.php/deujis/article/view/85%0Ahttps://journal.walideminstitute.com/index.php/deujis/article/download/85/175>.

<sup>12</sup> Afief El Ashfahany, Wulan Galuh Savitri, and Sheila Putri Anggraeni, "Strategy Of Professional Zakat Fundraising In Zakat Management Institutions," *IQTISHADUNA: Jurnal Ilmiah Ekonomi Kita* 12, no. 1 (2023): 35–47.

<sup>13</sup> Azhar Alam et al., "Systematic Literature Review on Zakat Distribution Studies as Islamic Social Fund," *Journal of Distribution Science* 22, no. 2 (2024): 21–30.

In the banking sector, of course, about the problem of use in the bank itself, for example in legal issues of bank interest, bank services, and savings and loans in the bank. In the issue of bank interest or commonly called usury often arises in people's lives.<sup>14</sup> Interest or usury can be understood as adding a sum of money to a lending and borrowing transaction that does not prioritize the principle of justice.<sup>15</sup> Because there is still a widespread practice of bank interest, Muhammadiyah through the Tarjih and Tajdid Councils issued a fatwa about the haram practice of bank interest in life because it causes losses to one of the parties involved in a transaction. While in the Investment sector contains waqf, buying and selling, and others. Especially in the issue of waqf, often also encountered by the community in everyday life, this is because waqf itself becomes a forum for equity in the process of distributing the rights and obligations of Muslims themselves. One of the positive impacts of the waqf distribution process in accordance with Islamic law is being able to cause economic growth.<sup>16</sup> This encourages people to want to benefit from the waqf, but they doubt whether what they are doing is right according to Islamic law or not. In the economic sector, the obstacle is massive profit taking which has a negative impact on one party.<sup>17</sup> Then questions arose from the community regarding the problem and the presence of the Tarjih Council and Tajdid Muhammadiyah to answer the various problems faced by the community.



Figure 1. Word Cloud Analysis

<sup>14</sup> Narjess Boubakri, Ali Mirzaei, and Mohsen Saad, "Bank Lending during the COVID-19 Pandemic: A Comparison of Islamic and Conventional Banks," *Journal of International Financial Markets, Institutions and Money* 84, no. April 2020 (2023): 101743, <https://doi.org/10.1016/j.intfin.2023.101743>.  
<sup>15</sup> Muhamad Subhi Apriantoro et al., "Enhancing Public Awareness of the Prohibition of Riba Transactions: Collaborative Education Project with Al-Hidayah Study Group in Ngasem Village, Central Java," *Ethica: International Journal of Humanities and Social Science Studies* 2, no. 1 (2024): 59–63.  
<sup>16</sup> Diva Azka Karimah, Mohammad Bintang Pamuncak, and Muhammad Khoerul Mubin, "The Role of Waqf in Supporting Sustainable Development Goals: Linking Theory and Its Practices," *Suhuf* 35, no. 2 (2023): 31–38, <https://doi.org/10.23917/suhuf.v35i2.23018>.  
<sup>17</sup> B Bernardlauwers et al., "Islamic Business Ethics and Political Economy: A Study of Government Policies in Handling the Food Crisis," *Demak Universal Journal of Islam and Sharia* 2, no. 02 (2024): 91–110.

Word Clouds generated from a collection of fatwa topics provide interesting visual insights into topics that are often discussed in fatwas. Dominant topics such as "Zakat", "Hajj", and "Inheritance" stand out, indicating a major focus on religious practice and the distribution of inheritance as important issues. It emphasizes the role of fatwas in addressing questions related to zakat obligations in various contexts of life and assets.<sup>18</sup> The diversity of issues covered ranges from financial transactions such as "Loan", "Bribe", and "Savings" to ethical and social questions such as "Caregiver Salary" and "Adopted Children". This shows that fatwas deal not only narrowly with religious issues, but also their application in practical life situations.

The importance of fatwas is also seen in the adaptation of traditional Islamic teaching to the modern context through topics such as "BMT Debt", "Professional Zakat", and "Banking Issues". This indicates the efforts of religious institutions in responding to challenges arising from new developments. In addition, many topics related to social and economic aspects, such as "Cooperative Interest", "School Levy", and "Sports to Raise Funds", highlight the role of fatwas in providing guidance on how to interact with the broader economic and social system ethically. This overall analysis shows that fatwas are an important tool in helping Muslims understand and apply Islamic teachings amid the diversity and changing contexts of their lives, bridging the gap between classical religious texts and the realities of modern life.

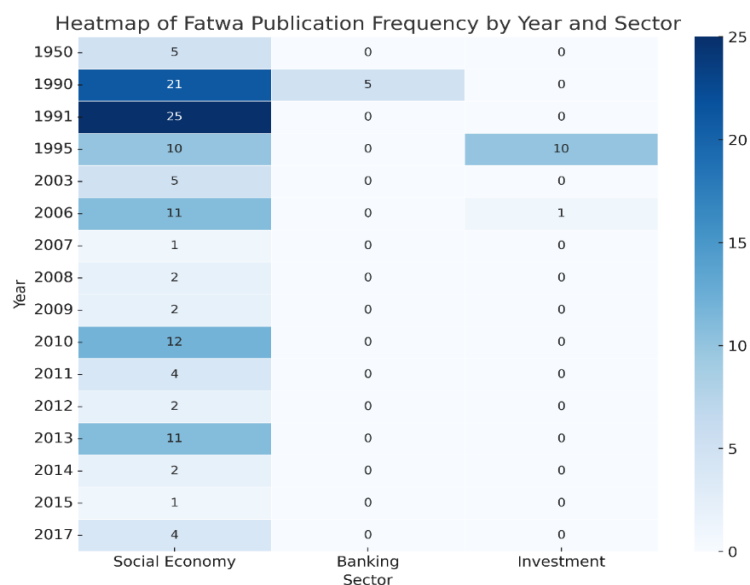


Figure 2. Heatmap

<sup>18</sup> Wan Zulkifli Wan Hassan et al., "The Management of Zakat Distribution in the Practice of Fatwa in Terengganu, Malaysia," *International Journal of Civil Engineering and Technology* 8, no. 11 (2017): 834–51.



The resulting heatmap shows the frequency distribution of fatwa publications in various sectors from year to year. Darker color represent more frequencies, while lighter color represent fewer frequencies. From the visualization, it is clear that the "Social Economy" sector consistently had the highest activity throughout the year, with significant peaks of activity in 1990 and 1991. Meanwhile, the "Banking" sector showed only significant activity in 1990, and "Investment" stood out in 1995 and 2006. This heatmap illustrates how certain issues dominate attention at a given period, offering important insights into the priorities and responsiveness of religious institutions to changing social and economic dynamics.

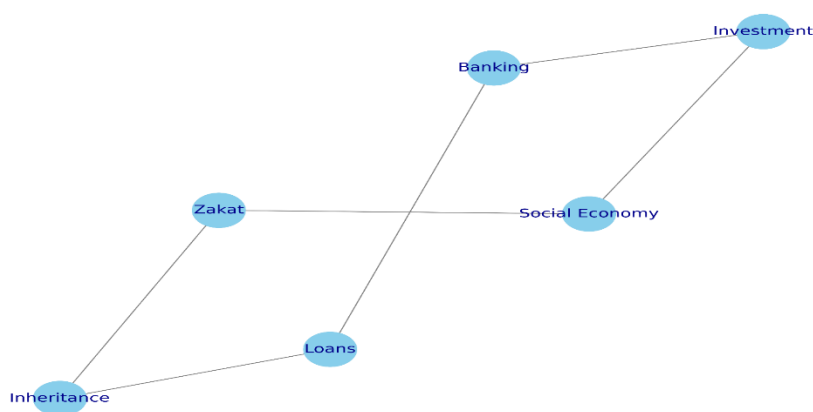


Figure 3. Network Graph

The resulting Network Graph illustrates the interactive relationships between several major fatwa topics. In this graph, we see how "Zakat" is closely connected to "Social Economy" and "Inheritance," indicating that discussions of zakat often involve economic, social and legal considerations of inheritance. Meanwhile, "Banking" and "Loans" are connected, showing the close link between banking and lending issues in the context of Islamic finance. The topic "Investment" acts as a link between "Banking" and "Social Economy," highlighting how investment integrates banking aspects and social economic considerations. While "Inheritance" and "Loans" are also connected, suggesting that discussions about inheritance could involve consideration of loans or debts left by the testator.

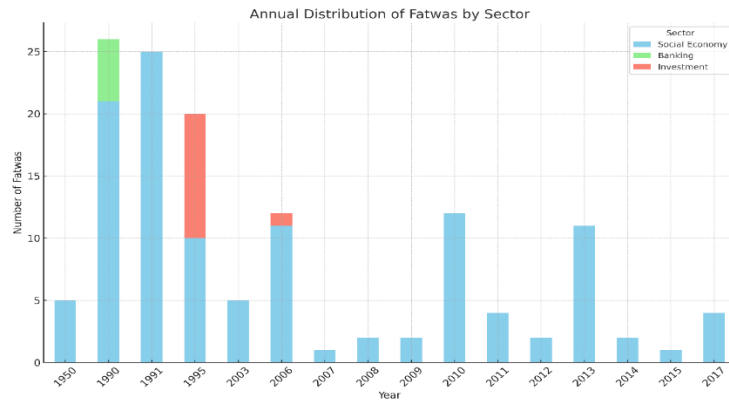
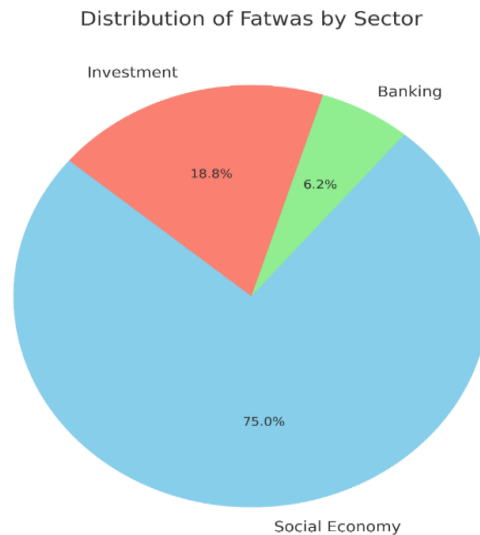


Figure 4. Diagram Annual Distribution of Fatwas

Analysis of the year-to-year distribution of fatwas by sector reveals several important insights into the focus and responsiveness of religious institutions to economic and social issues. The "Social Economy" sector consistently dominated in the number of fatwas issued throughout the period reviewed, signifying the importance of social economic issues in religious discourse. In 1990, there was a significant increase in fatwas in the "Banking" sector, indicating a response to changes or needs of society at that time. On the other hand, the "Investment" sector only stands out in certain years, such as 1995 and 2006, indicating a response to a specific economic situation or policy change. This pattern suggests that fatwas serve not only as spiritual or legal guides but also as adaptive tools that reflect and respond to changing socio-economic dynamics. It affirms the important role of religious institutions in integrating religious teachings with the practical challenges and needs of their citizens, providing insight for further research into the interaction between religion, economics, and society.

In the diagram we can also find patterns of linkage between certain sectors. For example, sometimes an increase or decrease in one sector can occur alongside a change in

another sector. The analysis of the chart shows that the fatwas vary in number and frequency over time, reflecting changes in the focus or urgency of certain issues in the economy that are relevant to Muhammadiyah's views and values. It can also reflect changes in leadership and internal dynamics of the organization.



**Figure 5.** Diagram Percentage Distribution of Fatwa

Based on the data from the diagram, we can obtain information related to the percentage of fatwa distribution in the economic sector of the MTT Muhammadiyah. The highest percentage is found in the Social Economy sector with a total of 75.0%. The second position is occupied by the Investment sector with a percentage of 18.8%, and the last position is occupied by the Banking sector with a percentage of 6.2%. This shows that the Social Economic Sector is so controlling the fatwas of the MTT Muhammadiyah, with a distance of more than half of the total fatwas contained in the economic field. This also indicates that problems, especially in the Social Economy sector, are more faced by the community so far.

With the percentage that shows this very long distance, it also shows that it turns out that until modern times today society in general has not been able to be separated from various problems, especially in the Social Economy sector. In other sectors such as investment, it shows that the problems faced by the community to date have not been significant, especially in the banking sector, especially the fatwas that are very minimal in number. This can happen because of community activities that until now have not been too involved in these two sectors

so that the problems that exist are only limited to the Social Economy that exist in the daily life of the community <sup>19</sup>.

## 2. Analysis of Considerations in Muhammadiyah Economic Fatwa

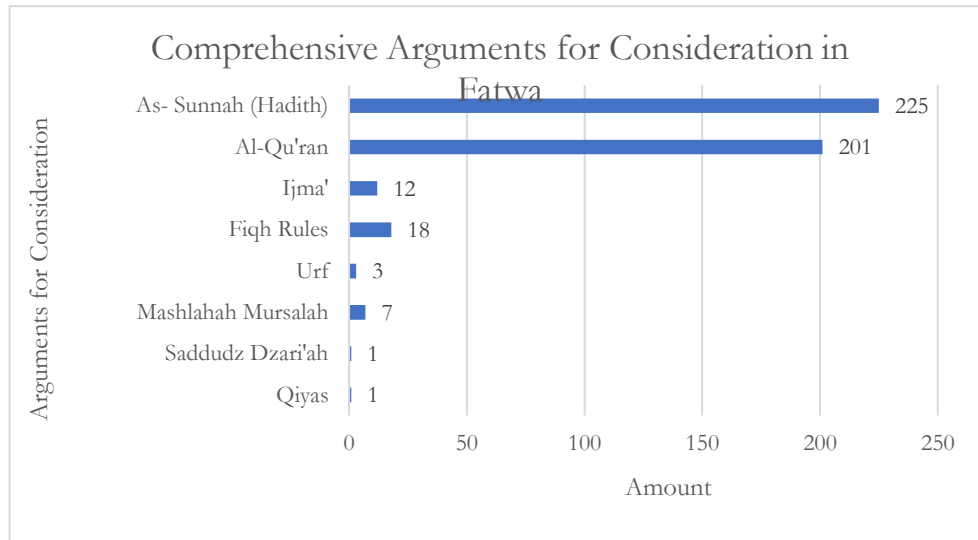


Figure 6. Diagram Arguments for Consideration

The diagram above provides information on the types of arguments considered by the Tarjih Council and Tajdid Central Leadership of Muhammadiyah in formulating fatwas. These types of postulates include As-sunnah (Hadith), Qur'an, Ijma', Rules of Jurisprudence, 'Urf, Mashlahah Mursalah, Saddudz Dzari'ah, and Qiyas. The Consideration Propositions used by MTT Muhammadiyah with a total of 468 propositions in the process of formulating fatwas in the economic field. This shows that the decision-making process is carried out carefully and based on deep thought over the relevant aspects of Islamic law. With details, a total of 225 As-Sunnah (Hadith), 201 verses of the Qur'an, 3 Ijma', 7 Mashlahah Mursalah, 1 Saddudz Dzari'ah, and 1 Qiyas. The most widely used Consideration is As-Sunnah (Hadith) with a total of 225 postulates.

Although As-Sunnah (Hadith) is more widely used than the Qur'an, both remain priority sources of evidence in the process of formulating fatwas (Amalia, 2019). The Qur'an is the first reference used as a postulate for a problem.<sup>20</sup> With more As-Sunnah (hadith) used in determining fatwas in this economic field, it does not mean that the Qur'an is ruled out by

<sup>19</sup> Muhamad Subhi Apriantoro et al., "Quantifying Intellectual Terrain: Islamic Jurisprudence, Ethical Discourse, and Scholarly Impact," *Subuf* 36, no. 1 (2024): 78–85.

<sup>20</sup> Mehmet Paçacı, "Democratic Values and the Qur'an as a Source of Islam," *Philosophy and Social Criticism* 39, no. 4–5 (2013): 361–71, <https://doi.org/10.1177/0191453713478379>.

MTT Muhammadiyah, but when a problem is not explained in writing through the nash of the Qur'an, then the answer is sought through As-Sunnah (Hadith), because there is an answer to a problem in the Sunnah (Hadith) that was not previously explained in the Qur'an itself (Riswandi, 2023). This reflects the importance of both sources in Islamic legal decision-making. In formulating a fatwa, Muhammadiyah must first collect postulates in the form of the Qur'an and As-Sunnah (Hadith) which are used as the main legal source in determining a fatwa.<sup>21</sup> Of course, the postulates collected are strong propositions to be used as a source of law tailored to the problems being faced by certain communities, so that the fatwas formulated by MTT Muhammadiyah, especially in the economic sector, have gone through a process of filtering the postulates of both the Qur'an and As-Sunnah (Hadith) so that the fatwas issued by MTT Muhammadiyah do not come out of the context of existing problems and do not contradict Islamic law.

Although there are fewer in number compared to the Sunnah (Hadith) and the Qur'an, the Rules of Jurisprudence and Qiyas also play an important role in the decision-making process of Islamic law.<sup>22</sup> This shows the application of analogy methods and principles of Islamic law in the context of economic decisions.<sup>23</sup> To facilitate the fatwa formulation process, MTT Muhammadiyah also uses the Rules of Jurisprudence and Qiyas.<sup>24</sup> The rules of Jurisprudence and Qiyas, of course, have been adjusted to existing problems and are not chosen arbitrarily by MTT Muhammadiyah. This rule of Jurisprudence and Qiyas serves to strengthen the postulates in the form of the Qur'an and As-Sunnah (Hadith) which are used to formulate certain fatwas in the economic field. In addition, the Rules of Jurisprudence and Qiyas are also used by MTT Muhammadiyah as a consideration in formulating a fatwa, especially in the economic sector, especially if the answer to a problem nash is not found in the Qur'an and As-Sunnah (Hadith).<sup>25</sup>

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<sup>21</sup> Zuly Qodir, Haedar Nashir, and Robert W. Hefner, "Muhammadiyah Making Indonesia's Islamic Moderation Based on Maqāsid Sharī'ah," *Ijtihad: Jurnal Wacana Hukum Islam Dan Kemanusiaan* 23, no. 1 (2023): 77–92, <https://doi.org/10.18326/IJTIHAD.V23I1.77-92>.

<sup>22</sup> Zainul Mun'im, "Peran Kaidah Fikih Dalam Aktualisasi Hukum Islam: Studi Fatwa Yūsuf Al-Qarāḍāwī Tentang Fiqh Al-Aqalliyāt," *Al-Manahij: Jurnal Kajian Hukum Islam* 15, no. 1 (2021): 151–72, <https://doi.org/10.24090/mnh.v15i1.4546>.

<sup>23</sup> Ahwan Fanani, "Moderasi Pemikiran Fikih Hubungan Antarumat Beragama Di Majelis Tarjih Dan Tajdid Muhammadiyah," *Shabih: Journal Of Islamicate Multidisciplinary* 2, no. 1 (2017): 53–66.

<sup>24</sup> Noor Halimah and Yuli Lailiyah Mahmudah, "Mazhab Fiqih Di Indonesia: Perbedaan Pendapat Konstruksi Hukum Islam," *Islamic Education* 1, no. 1 (2023): 94–109.

<sup>25</sup> Maslahul Falah, "Penerapan Kaidah Fikih dalam Himpunan Putusan Tarjih Muhammadiyah: Penerapan Kaidah Fikih dalam Himpunan Putusan Tarjih Muhammadiyah," *Jurnal Staika: Jurnal Penelitian Dan Pendidikan* 6, no. 1 (2023): 1–12.

MTT Muhammadiyah uses consideration propositions in the form of Jurisprudence and Qiyas Rules to make it easier to get answers to problems in the economy. In this case, MTT Muhammadiyah is also not careless in taking a Jurisprudence and Qiyas Rule, of course MTT Muhammadiyah has been selective in choosing consideration propositions in the form of Jurisprudence and Qiyas Rules, because it does not mean that it is an easier tool by taking the easiest consideration propositions but also needs to be adjusted to what is needed in solving a problem. Therefore, the Muhammadiyah MTT fatwas that have been determined have gone through a long process so that they can be used as guidelines in people's lives, especially in the economic sector. Based on the analysis of the diagram, it can be concluded that the Tarjih Council and Tajdid Central Leadership of Muhammadiyah conducted the fatwa decision-making process by considering various types of propositions that are valid according to Islamic legal methodology. This approach ensures that fatwas issued are based on a solid and authoritative foundation in Islamic teachings.

### 3. Opinion of Ulama in Muhammadiyah Economic Fatwa

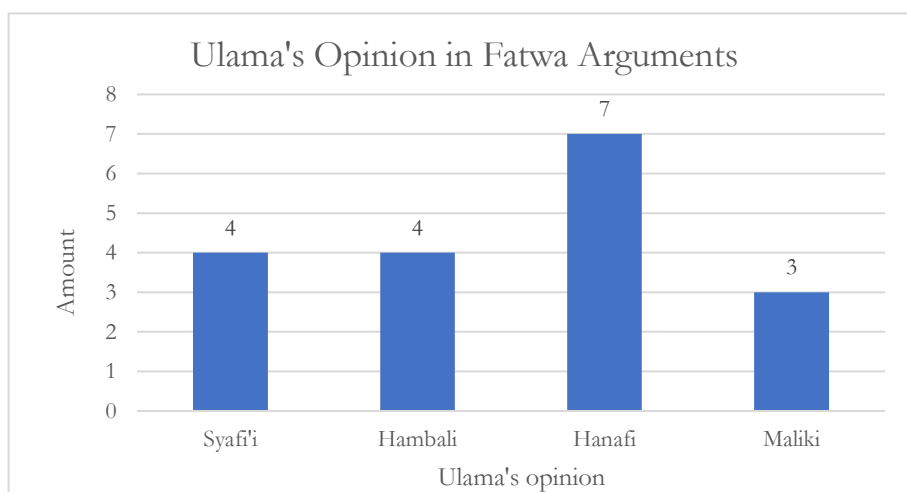


Figure 7. Diagram Ulama's Opinion in Fatwa Arguments

Diagram 3. above shows the Ulema Opinion used in the formulation of fatwas, especially in the economic field by the Tarjih Council and Tajdid Central Leadership of Muhammadiyah. Based on the diagram, the author concludes that the Tarjih Council and Tajdid Central Leadership of Muhammadiyah in formulating fatwas, especially in the economic sector, also use the Ulema Opinion, namely the Ulema Opinion of the famous Imams of the School. A total of 18 scholarly opinions serves as a basis for determining fatwas in the economic field. This shows that the Tarjih Council and Tajdid Central Leadership of

Muhammadiyah pay attention to the diverse views of scholars in the decision-making process.<sup>26</sup> Ulama opinions used include four major schools of Sunni Islam, namely the Mazhab Shafi'i, the Hambali School, the Hanafi School, and the Maliki School. This shows that the Tarjih Council and Tadjdid Central Leadership of Muhammadiyah are open to various views of Islamic law. In the fatwas in the field of economics, the Tarjih Council and Tadjdid Central Leadership of Muhammadiyah use the opinions of the Ulama of each School in detail, a total of 4 Opinions of Ulama of the Shafi'i School, 4 Opinions of Ulama of the Hambali School, 7 Opinions of Ulama of the Hanafi School, and 3 Opinions of Ulama of the Maliki School from a total of 18 Ulama Opinions used. Although all four Schools are recognized, there is variation in the number of scholarly opinions of each School used. For example, the Hanafi School has a greater number of scholarly opinions than any other School. However, this does not mean that Muhammadiyah is more inclined or only focuses on the Hanafi School, this is certainly adjusted back to the problems encountered and adjusted to current circumstances.

If the Ulama Opinion of a madhab is considered irrelevant to the existing problem, of course MTT Muhammadiyah will not use the Ulama's opinion even though it still intersects with the existing problem. It also shows that the precautionary principle of MTT Muhammadiyah is used in taking a Ulama Opinion Using the opinions of scholars from various Schools, the Tarjih Council and Tadjdid Central Leadership of Muhammadiyah ensure a balanced representation of various Islamic legal traditions, demonstrating an inclusive approach in the decision-making process. Based on the analysis of the diagram, it can be concluded that the Tarjih Council and Tadjdid Central Leadership of Muhammadiyah in formulating fatwas in the economic field pay attention to various opinions of scholars from different Schools. This approach reflects their commitment to consider diversity of views in order to produce fatwas based on the rich and diverse heritage of Islamic law, and proves that Muhammadiyah is not an Islamic organization that closes itself to Ulama Opinions in a School.<sup>27</sup>

## **E. Conclusion**

This study reveals that the fatwas issued by the Tarjih Council and the Central Executive of Tadjdid Muhammadiyah from 1950 to 2017 played an important role in shaping

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<sup>26</sup> Ahwan Fanani et al., "Muhammadiyah's Manhaj Tarjih: An Evolution of a Modernist Approach to Islamic Jurisprudence in Indonesia," *HTS Teologiese Studies/Theological Studies* 77, no. 4 (2021).

<sup>27</sup> Zakiya Darajat, "Muhammadiyah Dan NU: Penjaga Moderatisme Islam Di Indonesia," *Hayula: Indonesian Journal of Multidisciplinary Islamic Studies* 1, no. 1 (2017): 79–94.

economic practices among Muslims, especially in the Social Economy sector. Based on the analysis, these fatwas are based on comprehensive sources of Islamic law, including the Qur'an, As-Sunnah, Ijma', and Qiyas, and take into account the opinions of scholars from various sects. The main focus on the Social Economy sector reflects Muhammadiyah's great attention to socio-economic issues such as zakat and hajj that are most often faced by the community. This research makes an important contribution to the understanding of the evolution and impact of Muhammadiyah's economic fatwa. However, this study also has some limitations. First, a more in-depth analysis may be needed to understand the long-term impact of these fatwas on economic practices in society, particularly in the Banking and Investment sector, which has received less attention. Second, the limitations of the data and sources used can affect the comprehensiveness of the findings, especially related to the variation in the interpretation of fatwas in various regions. Thus, further studies are needed to overcome these limitations and deepen understanding of the role of fatwas in the context of Islamic economics.

## **F. Declaration of Conflicting Interests**

The authors declare that no conflicts of interest could influence the integrity or outcomes of the publication of this article.

## **G. Acknowledgment**

We extend our deepest gratitude to the Faculty of Islamic Studies, Department of Sharia Economic Law, Universitas Muhammadiyah Surakarta for their invaluable support in this research. We also express our sincere appreciation to the Board of Higher Education, Research, and Development (Diktilitbang) of the Central Leadership of Muhammadiyah, which generously funded this research through the National Muhammadiyah Research Grant Program for the year 2025. We are profoundly grateful for the financial support and the opportunity to contribute to the academic community through this grant.

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How to cite	Ikhwandy, Ikhwandy and Muhamad Subhi Apriantoro. " Deciphering Economic Fatwas in Muhammadiyah: A Comprehensive Qualitative Analysis from 1950 to 2017." <i>Al-Mazaahib: Jurnal Perbandingan Hukum</i> 12, no. 1 (2024): 51-69. <a href="https://ejournal.uin-suka.ac.id/syariah/almazahib/article/view/3636">https://ejournal.uin-suka.ac.id/syariah/almazahib/article/view/3636</a>