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## **ICON-BE 2022**





"Acceleration of Innovation Reconfiguration and Digital Economy Development in an Archipelagic Country Post Covid~19 Pandemic"



## FAKULTAS EKONOMI & BISNIS

Dipublikasi Online pada: Pattimura Proceeding: Conference of Science and Technology



The 2nd International Conference On Business And Economic









### **PROCEEDING**

THE 2<sup>ND</sup> INTERNATIONAL CONFERENCE ON BUSINESS AND ECONOMICS

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Photo "Faculty of Economics and Business Building, B Building, Pattimura University." — A building that was inaugurated in 2020 will provide space intended for 4000 students who are included in the UNPATTI plan. This was made a priority by the Ministry of Research, Technology, and Higher Education and the Minister of Finance of the Republic of Indonesia, and was followed up by Bappenas and 2019 SBSN funding. The building shape that looks like a ship is taken from the Principal Scientific Pattern of Pattimura University, namely Bina Mulia Maritime Affairs. This indicates that the Faculty of Economics and Business is ready to oversee economic development in Maluku based on islands. The Faculty of Economics at Pattimura University itself has three main buildings supporting lectures with two floors, all located within the Poka Campus of Pattimura University. In general, lecture buildings are equipped with various lecture support facilities. These facilities include air-conditioned lecture halls supported by multimedia equipment, computer laboratories, libraries, auditoriums, student canteens, gazebos, internet hotspots, and motorized vehicle parking lots.

#### **Preface**

This proceeding was prepared based on the outcomes of the international seminar on the 2<sup>nd</sup> ICON-BE activity by theme "Acceleration of Innovation Reconfiguration and Digital Economy Development in an Archipelagic Country Post COVID-19 Pandemic", held on October 15, 2022, at the Swiss Bell Hotel in Ambon. The seminar is being held in order to provide constructive scientific thinking to the government and other stakeholders in order to ensure the establishment of the Post-COVID-19 Pandemic Digital Economy, as the subject has been suggested. This seminar's scientific concepts were gathered from researchers, professors, and practitioners.

This international seminar activity was attended by participants consisting of experts, researchers, academics, representatives of the Ministry of Tourism and Creative Economy, as well as practitioners in the fields of business and tourism.

We appreciate the Minister of Tourism and Creative Economy for sharing his thoughts on the need to build a post-pandemic digital economy, particularly in island nations. With the issue raised, gratitude and appreciation are also expressed to the invited speakers, including Mrs. Prof. Dr. Sri Adiningsih, M.Sc., from Gadjah Mada University by Topic "Digital Economy Transformation in Indonesia". To Mrs Jeongyoon Lee, Ph.D., from the University of Kentucky with the topic raised "Policy and Regulatory Network in encouraging Digital Economy Development and Virtual Interaction". To Mrs. Dr. Vanessa Ratten from La Trobe University with the topic raised "Impact of Economic Digitalization on Ecotourism in Archipelagic Country". To Mr. Arif Perdana, Ph.D., CA from Monash University with the topic raised "Digital Finance and Innovation to Support Financial Inclusion".

Furthermore, the authors, editors, and organizers of this international seminar acknowledged their appreciation and gratitude for the study findings and seminar perspectives. Everything went off without a hitch, from preparation to execution.

As a result, we anticipate that this process will be especially beneficial to the growth of digital economics in post-pandemic archipelagic countries. If there any flaws in this document, please realize and let us know that it will be addressed in the next event.

Ambon, May 2023

Head of Executive Committee The 2<sup>nd</sup> ICON-BE

Dr. Conchita V. Latupapua, SE. M.M.

## The 2<sup>nd</sup> International Conference on Business and Economics Committee (in Bahasa)

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# WAGE IMPLEMENTATION SYSTEM IN SHARIA ECONOMIC PERSPECTIVE AS A SOLUTION TO INCREASE THE ECONOMIC LEVEL OF FLOATING CRAFT ENTREPRENEURS

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#### **ABSTRACT**

Introduction/Main objectives: This research aimed to find out the impact of fee-hiring practice on the incomes of floating netted-cage entrepreneurs, factors that interfered such practice, and the review of Sharia Economy on paying-hiring practice in fish farming by using floating netted-cage. Background problems: economic activity that has a wage system in it is the floating net cage business in Kampar Regency. Kampar Regency is the largest contributor to the production of freshwater aquaculture in Riau Province. This can increase the welfare of owners, entrepreneurs and managers of floating cages Novelty: studies on wages are generally studied on conventional concepts but in this study, it examines the concept of wages in the view of sharia economics Research methods: This field research applied qualitative descriptive method. The data were collected through interviewing 28 key informants and observing the fish cage directly in the site, which was in Kampar. Finding/Results: The practice of paying-hiring in fish farming by using floating netted-cage in Kampar did not involve written agreement. In addition, although the job descriptions were informed clearly, some entrepreneurs chose to not include the amount of payment information at the beginning. The payment was on time and the amount of payment was decided based on the payment standard of fish cage entrepreneurs. There was work accident compensation assurance, but there was not worker health assurance. The results also indicated that low payment standard that was decided by fish cage entrepreneurs became the main factor that caused failure of fee-hiring practice in raising floating netted-cage welfare in Kampar. Conclusion: Low standard payment was due to the assumption that given fee was sufficient for workers because of their consumption compensation. According to sharia sconomy the practice of fee-hiring was not based on the sharia economy principles, because it's only encompassed justice principle, worthiness, and mutual assistance. However, the objective to bring welfare for workers was not achieved. Fish farming by using floating netted-cage became chance to get job especially for society in Kampar. In addition, this business had a good prospect. The escalation of entrepreneur's economy was achieved. It was indicated by the number of fish cages that were owned by entrepreneurs in Kampar.

**Keywords:** fee payment, economy escalation, fish farming, floating netted-cage.

JEL Classification: D13, I31, J22, K31

#### **INTRODUCTION**

Allah Subhanahu wata'ala created people as social beings who cannot live alone, depending on each other. One of the forms of muamal that takes place is cooperation between people, on the one hand, as a provider of services or labor, called a laborer or worker, on the other hand, who provides work called an employer, to carry out productive activities. The actions below, provided that the employee or employees receive compensation or wages. This cooperation in figh literature is called the contract of ijara al-amal, that is, the hiring of human services.

The ijarah system (wages) in sharia economics is closely related to the moral aspect where it does not only look at market prices as a benchmark for determining wages but also considers cooperation, mutual

assistance, and the desire to create social harmony for the realization of welfare and the general benefit. Another aspect that is closely related to the afterlife is the principle of pleasing Allah through human relations (hablumminannas). Aspects of justice and feasibility in which Islam commands to be clear and transparent in determining when and how much wages are given, proportionally according to needs and appropriate means sufficient food, clothing, and housing, and in accordance with the wage market. (Sholihin, 2010: 874-875). One of the economic activities that has a wage system in it is the floating net cage business in Kampar Regency. Kampar Regency is the largest contributor to freshwater aquaculture production in Riau Province. Data from the Central Statistics Agency (BPS) states that in 2015, around 66.97 percent of aquaculture production in Riau Province or 57,868.63 tons was donated by Kampar Regency. The total production of aquaculture in Riau Province reached 86,406.31 tons.

In addition, Kampar is also recognized as the best national freshwater fish culture. After the fish nursery pond, the freshwater fish of Riau Province were destroyed by floods in early 2016, but the production of freshwater fish farming in Kampar is still running at 70%. Based on the results of interviews, information was obtained that the floating net fishing cage business became the main livelihood of the community, especially those in Merangin village, Kampar Regency and the community around the Koto Panjang hydropower plant. The parties involved in the floating net cage business include the owners of fish cages or what the local community calls cage farmers, 'toke' (owners of capital for fish seeds and feed) as well as fish cage workers/laborers as well as harvest workers as working members of the fish toke.

Based on the phenomenon of the large production of fish cultivation using floating net cages and the large number of floating net cage entrepreneurs, which of course involves cage workers who depend on the cultivation of floating net cages in Kampar district, but there are problems that occur in the system of implementing cultivation wages. Fisherman were using floating net cages such as low wages, unclear working hours and also the absence of health insurance which is the right of workers. The problems that occur in the field are not in accordance with the concept of wages in accordance with sharia economic principles that prioritize moral principles, the dimensions of the hereafter, the principles of feasibility and justice. In answering the problems that occur that can cause losses experienced by one of the parties involved, the researchers are interested in researching and studying more deeply how the floating net cage business remuneration system in Kampar Regency.

#### LITERATURE REVIEW

#### Wage Theory

1. Definition of Wages

One form of human activity in the field of muamalah is ijarah. According to the language ijarah means "wages" or "replacement" or "reward". Therefore, lafaz ijarah has a general meaning which includes wages for the use of an object or reward for an activity, or wages for carrying out an activity (Karim, 2002: 29)

- 2. Wage Theory in Conventional Economics
  - Karl Mark's theory of value holds that only labor is the source of economic value. The value of an item depends on the value of the labor service or the amount of labor time used to produce the item. Karl Max's view is that workers' wages are judged based on how much they work per day. Capitalist society sees labor as a use value as well as an exchange value (Farihah, 2015).
- 3. Wage Theory in Islamic Economics
  - According to Ibn Khaldun, the price of goods consists of three main elements, namely salaries or wages, profits, and excise. These three elements are obtained from the community. According to ibn Khaldun, the value or price of an item is equal to the quantity for the workers involved in the production of the goods concerned. The price of labor is the basis for determining the price of an item and the price of labor itself is determined by the mechanism of demand and supply in the market (Umar, 2001: 125). Ibn Taymiyya also contributed economic thinking about equivalent compensation as measured by its equivalent value. The compensation is a standard and relatively long-lasting phenomenon because it is an established habit, while the just price is more dynamic in nature, determined by the interaction between supply and demand and is also influenced by one's desire for business activities (Imam, 2008).

Concept of Wages According to Conventional

In the concept of conventional wages, the theory of efficiency wages is known. The theory of efficiency wages is a wage above the equilibrium level paid by the company in order to increase its work productivity.

There are several theories of efficiency wages. Each type provides a different explanation of why companies want to pay high wages.

#### a. Workers' Health

The first and simplest efficiency wage theory emphasizes the relationship between wages and the health of workers. Better-paid workers get more nutritious food, so they are healthier and more productive. (Mankiw, 2006)

#### b. Worker Turnover

The second efficiency wage theory emphasizes the relationship between wages and worker turnover. The frequency with which workers leave their jobs depends on the incentives they face, including incentives for them to keep working and quit. Companies spend more money to find and train new workers. In addition, even though they have been trained, newly hired workers are less productive than experienced workers.

#### c. Worker's Business

The third efficiency wage theory emphasizes the relationship between wages and workers' effort. In many jobs, workers have the discretion to decide how hard they work. This third theory of wage efficiency is almost the same as the old Marxist idea, namely the "unemployment supply", or "reserve army of the unemployed". Marx argued that employers benefited from unemployment because the threat of unemployment would help discipline workers.

#### d. Quality of Worker

The fourth and final efficiency wage theory emphasizes the relationship between wages and the quality of workers. When companies hire new workers, they cannot perfectly assess the quality of these workers. By paying high wages, companies can attract better quality workers to apply for the job (Mankiw, 2006)

#### The Concept of Wages Wages According to Islam

Islam offers a very appropriate solution, both regarding the problem of wages and the problem of protecting the interests of workers and employers. Workers/laborers get a decent wage without violating the rights of a legitimate employer. Employers are not allowed to act arbitrarily against groups of workers by eliminating their legal share of workers' rights, while the workers/laborers are also not given the entire national dividend so as to reduce the legal rights of employers anywhere. Each one gets his rightful share of the product with him without being tyrannical to the other. Wages are rewards that a person receives for his work in the form of material rewards in the world (fair and proper) and in the form of rewards in the hereafter (better rewards).

#### a. The principle of justice

The main principle of justice lies in the clarity of the contract (transaction) and the commitment to do it. Contracts in labor are contracts that occur between workers and employers. This means that before workers are hired, it must be clear how the wages will be received by workers. The wages include the amount of wages and the procedure for payment of wages. Indeed, a worker is only entitled to his wages if he has fulfilled his job properly and in accordance with the agreement, because Muslims are bound by conditions between them, except for conditions that forbid what is lawful or make lawful what is unlawful. However, if he skips work for no good reason or intentionally does it improperly, it should be taken into account. As long as he gets paid in full, his obligations must also be fulfilled. This should be explained in detail in the "work regulations" which explain the respective rights and obligations of both parties.

#### b. Eligibility principle

Islamic Sharia views wages as the rights of people who have worked (employees) and obligations for entrepreneurs (employers). In a perfectly competitive market, a fair wage level occurs at the market wage level (tas'ir fi al-'amal), and for this reason, a fair wage level policy is to pay attention to the market wage level. However, Islam as a religion that upholds moral or human values requires consideration including the values of cooperation, mutual assistance, compassion, and the desire to create social harmony for the realization of guaranteed welfare and the general benefit. In addition to using the market wage and value of marginal product of labor as the basis for determining work wages, Islam also outlines that the wage set must be able to meet basic needs including clothing, food, housing, education and proper health of workers and their families (Lukman, 2012).

This proper principle relates to the quantity received. The eligibility of wages received by workers is seen from 3 aspects, namely: food, clothing, and board (place to live). Even for employees or employees who are still unmarried, it is the job of the employer who hired them to find a mate. This means that the relationship between the employer and work is not limited to formal work, but employees are considered to be the employer's family. The concept of considering employees as the employer's family is an Islamic concept that was coined 14 centuries ago. Eligible also means according to the market.

#### METHOD, DATA, AND ANALYSIS

This research is a field research, the research method is a qualitative descriptive method, which is a research method in which research findings are not obtained through statistical procedures or other forms of calculation. The qualitative approach is the phenomenon approach, which is an approach that is oriented to understanding and interpreting the meaning of events, phenomena that are related to the implementation of wages in improving the economy of floating net cage entrepreneurs in Kampar Regency. In terms of time approach, this research was conducted with a cross sectional approach, namely the study and assessment of the object of research within a certain time, or data collected at a certain time that describes the situation/activity at a certain time. This research is in the form of field research on fish cage entrepreneurs in Kampar Regency. The author chose locations in two sub-districts, namely, District XIII Koto Kampar, and District Kuok, Kampar Regency because these two sub-districts are the largest producers of floating net cage fish in Kampar Regency. The data analysis technique in this study was carried out in stages, the stages in this study follows Anwar (2011). The first stage, namely the stage of analyzing data before entering the field by analyzing data by analyzing research data or preliminary studies, or secondary data used to focus research. However, the research focus is only temporary and will develop after researchers enter and while in the field. The second stage, namely the stage of analyzing data at the time of collection takes place and after completion of data collection within a certain period with the Miles and Huberman Model (Miles, & Huberman, 1992). At the time of the interview, the researcher had analyzed the answers of the sources, but if the answers of the respondents after being analyzed did not feel satisfactory, then further questions would be made to the sources, until the data obtained were considered credible. The steps of data analysis can be seen in the image below.

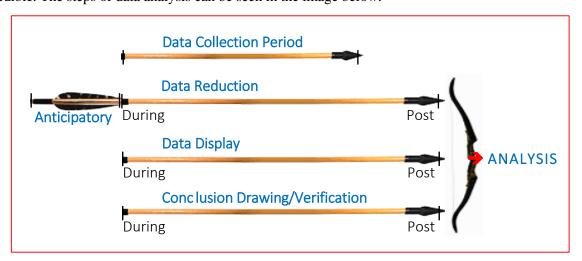


Figure 1. Components in Miles and Huberman's Data Analysis (Flow Model).

The description of the components in the data analysis model of Miles and Huberman (1992), as follows: (a) Data reduction, namely summarizing, choosing the main things, focusing on the important things, looking for themes and patterns and discarding unnecessary ones; (b) Presentation of data (data display), namely the presentation of data in the form of brief descriptions, charts, relationships between similar flowchart categories; (c) Conclusion drawing/verification, the third step in qualitative data analysis according to Miles and Hebernman is drawing conclusions and verification. The initial conclusions put forward are still tentative, and will change if no strong evidence is found to support the next stage of data collection. However, if the conclusions raised at an early stage are supported by valid and consistent evidence when the researcher returns to the field to collect data, then the data conclusions put forward are credible conclusions.

Focus of the analysis on research in the implementation of wages in floating net cages is focused on the dimensions of justice, feasibility, and timeliness in paying wages. The focus of the analysis on the factors that hinder the implementation of wages in accordance with the sharia economy is focused on the dimensions of low wage standards, the ability of employers to provide wages for their workers, and the amount of costs incurred by employers in addition to wages for their workers. The focus of the analysis to determine the economic improvement of floating net cage entrepreneurs is focused on the dimensions of economic welfare of floating net cage entrepreneurs, increasing business through business development, and increasing the number of fish production in floating net cages (Table 1).

Table 1. List of	of Focus.	Dimension.	Data Type	of the Analy	vsis.

No.	Focus of Analysis	Dimensions and Indicators	Data Types
	Implementation of Floating Net Cage Wages	a. Justice b. Appropriateness c. Punctuality	Qualitative
2	Factors Inhibiting Wage Implementation	a. Low wage standards b. Paying ability c. Employee benefits	Qualitative
	Economic Improvement of Floating Net Cage Entrepreneurs	a. Business development b. Increased number of production	SWOT analysis

#### RESULT AND DISCUSSION

There is an internal and external factors to implement the floating cage business in improving the economy of the floating cage entrepreneurs in Kampar Regency. The fish farming business using floating net cages in Kampar Regency certainly has its own strengths, weaknesses, opportunities and threats. The factors of strength, weakness, opportunity and threat become the basic framework for entrepreneurs in running their business. Internal and external factors in the activities of implementing wages earned in the field will be analyzed in the SWOT analysis Table 2 as follows.

Table 2. SWOT Analysis of the Study.

No.	Internal		External	
190.	Strenghts	Weaknesses	Opportunities	Threats
1	The production	Limited working	Quality fish	Acquisition of fish
	capability of fish	capital	production quality	seeds from outside the
	farming is quite large			region
2	Strategic location	Fish that are damaged	Wide marketing	Unpredictable rainfall
		and die before harvest	area	
		time		
3	Coverage of business		Fish feed	
	area		conversion	

Revealing Table 2, it can be seen that every business, including fish farming using floating net cages, must be influenced by various factors in carrying out its business activities. The influencing factors include conditions, situations, circumstances, and events and influences that are around the business that influence the development of the business. Internal and external factors in fish farming activities using floating net cages in Kampar district can be described as follows:

1. Analysis of Strengths and Weaknesses (S-W)

From the SWOT analysis on Table 2, it can be seen that the floating net cage entrepreneurs in Kampar district have the following strengths:

a. The ability of fish production is quite large, from the results of the study obtained data on the turnover of entrepreneurs/cage farmers in one cage plot/month ranging from Rp.4,788,200 for carp and

- Rp.3,871,533 for tilapia. Meanwhile, the cage entrepreneurs have 7-20 cages/person. Previously discussed, Kampar Regency is a fish-producing district with floating net cage cultivation.
- b. Strategically located, Kampar Regency is directly adjacent to Pekanbaru City and Siak City, Kuantan Singingi Regency, Rokan Hulu Regency, Pelalawan Regency and Siak City. The strategic location makes it easy for fish cage and owner entrepreneurs to make deliveries and marketing.
- c. Business land that has minimal capital, unlike other fish farming businesses that require a large area of land, this floating net cage cultivation business is located in the river.

However, in addition to the strengths of the floating net cage entrepreneurs in Kampar Regency, there are also weaknesses, these weaknesses include:

- a. Limited working capital. Limited working capital is an obstacle to the movement of floating net cage entrepreneurs. To make one plot of floating net cages requires a fairly large cost, namely Rp.8,000,000-Rp12,000,000, not to mention the cost of fish feed that must be met. For fish owner, a large capital is also required, because the role of owner in addition to collecting fish harvests, fish cage entrepreneurs are also the party who pays for the fulfillment of feed for fish entrepreneurs.
- b. Fish that are damaged and die before harvest. Of course there are business risks, one of the business risks of these floating net fish cage entrepreneurs is fish that is damaged because parts of the fish are caught in the net such as the eyes and fins. The risk of fish death is also faced by floating net cage entrepreneurs in Kampar Regency, this is caused by improper feeding or changing temperatures.

#### 2. Opportunity and Threat Analysis (O-T)

The SWOT analysis on Table 2, it can be seen that floating net cage entrepreneurs in Kampar Regency have opportunities, namely:

- a. Production of quality fish. Entrepreneurs of fish cages in carrying out their business do their best to maintain the quality of the fish they cultivate, this can be seen from the method of filling fish seeds in the cages considering the relatively long time of fish cultivation, which is 4 months. Filling of fish seeds is not carried out simultaneously at one time for each cage, this is done with the aim of maximizing production and maintaining fish stocks. Filling the number of seeds is also carefully considered, so that the fish have space and their development is not hampered.
- b. Wide marketing area. As a result of the strategic location of the Kampar Regency, many areas, both in Riau and outside Riau, place orders for fish from owner in Kampar Regency. Most of the orders come from restaurants and traditional market traders. The cultivation of floating net cages has its own marketing cycle. Fish owner in Kampar Regency take fish from cage entrepreneurs/farmers, then the fish are delivered to fish owner located in each City/Regency then the fish are distributed to market traders and restaurants and then distributed to final consumers.
- c. Conversion of fish owner is the main production cost other than fish owner. Floating net cage farmers minimize feed costs by using freely available vegetables around the Kampar River, including wild plant and cassava leaves. The feed conversion is a good opportunity for cage entrepreneurs to reduce production costs.

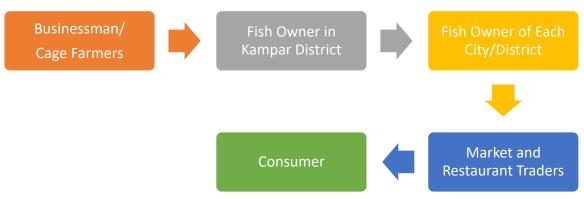


Figure 2. Cage Fish Marketing Cycle in Kampar District.

In addition to the opportunities owned by floating net cage entrepreneurs in Kampar Regency, entrepreneurs also have threats to the floating net cage fish farming business, namely:

- a. Acquisition of fish seeds from outside the region. Fish seeds are important in this business, but unfortunately fish seeds are still obtained from other areas. From the results of the study, it was known that the acquisition of fish seeds came from the area of West Sumatra, especially Maninjau. If cage farmers/entrepreneurs are able to cultivate fish fry, it will certainly be a good business opportunity, it will certainly reduce production costs as well as increase employment opportunities for other cage workers.
- b. Unpredictable rainfall. Rainfall is a separate threat for floating net cage entrepreneurs, when the rainfall is high then the water volume in the Kampar river increases, cage entrepreneurs must pay more attention to the ties to their cages. High rainfall also causes the water discharge in the PLTA Koto Panjang reservoir to also increase, so cage entrepreneurs must be vigilant when the reservoir door is opened. The risks that will be experienced range from high fish mortality rates to cages being washed away by river currents.

### Overview of Islamic Economics on the Implementation of Wages in Improving the Economy of Floating Cage Entrepreneurs

The implementation of wages which in the perspective of Islamic economics must fulfill the objectives of Islamic economics. Based on the results of research in the field, the implementation of wages carried out by both cage owners or fish owner has several important points in carrying out wage activities based on Islamic values, such as:

#### 1. The Principle of Justice

The main principle of justice lies in the clarity of the contract (transaction) and the commitment to do it. Contracts in labor are contracts that occur between workers and employers. This means that before workers are hired, it must be clear how the wages will be received by workers. The wages include the number of wages and the procedure for payment of wages. In fact, a worker is only entitled to his wages if he has carried out his work properly and in accordance with the agreement (Chaudhry, 2012).

From the results of research in the field, it can be seen that the transaction contract is carried out at the beginning, where the party who employs in this case the majority of cage and fish owner entrepreneurs describes the work that must be done by the workers and explains the time of payment and the number of wages to be received.

The mention of the amount of wages is very important to prevent workers/laborers from feeling calm in doing their jobs. Rasulullah SAW (*Al-Qur'an*, Departemen Agama RI, 2010) said:

Meaning: From Abi Said al Khudri ra, indeed the Prophet SAW said: "Whoever employs a worker, then his wages must be mentioned" (H.R. Abdur Razak the chain is cut off, and al Baihaqi connects the chain from the direction of Abi Hanifah).

#### One of the cage workers, Mr. Aldian Putra (28 years old) said:

"The salary issue has been explained at the beginning with the boss, when you receive a monthly salary, what kind of work you do, you've been told from the first time you work."

However, there are some entrepreneurs/farmers who only explain the job description and the time of receipt but do not explain the amount of wages their workers will receive. One of the cage workers who works on floating net cages at the Koto Panjang hydropower plant, Mr. Aldi (28 years old) said:

"I've only been working here for a month, I'm from Meranti Selat Panjang, I don't know the ins and outs of floating net cages, so at the start of work, Mr. Iwan explained what my work was, how much salary was not mentioned, I only knew from friends who work here"

The principle of justice is very important in the implementation of wages, the command to apply justice is clearly stated in: (Letter of an-Nahl [16]: 90)

Meaning: "Verily Allah commands (you) to do justice and do well, to give to relatives, and Allah forbids from evil deeds, evil and enmity. He teaches you so that you can learn."

Cage entrepreneurs/farmers as the party that employs their members do not discriminate in the provision of wages, do not discriminate in the provision of food allowances, fairness is also seen from the bonuses received according to the length of time the members have worked.

One of the entrepreneurs/farmers of floating net cages, Mr. Marwan said:

"I have 7 members, the wages are the same, there is no difference, the food is the same, but yes, when it comes to bonuses, of course it's different. Those who have worked with me for a long time are certainly different because those who work for long periods understand more than new members, old members also sometimes work better many."

One of the cage workers, Mr. Hendara (34 years old) said:

"I have worked with the boss for three years; the boss has never ordered anything outside of my work. My job is to look after the cages, feed them, and check the fish.

Mr. Romi (25 years) a cage worker in Rantau Merangin Village said:

"If the water rises like this, a lot of fish will die in the net, at least I will separate them quickly. If the salary is cut because the fish never die, it's already a risk, boss, do you want to harvest more or not, my salary is still the same".

From the results of the study it can be seen that the principle of justice in the implementation of wages in fish farming businesses in Kampar Regency has been implemented, this is evidenced by the statement of the informants who said that there was no difference in wage receipts, explained in detail the type of work carried out, there was no the workload is outside the initial agreement, but there are shortcomings, namely some entrepreneurs/cage farmers do not mention the amount of wages that will be received by their workers at the beginning of the cage farmers employing their workers.

#### 2. Eligibility Principle

In a perfectly competitive market, the wage level is determined by the market wage level, and in imperfectly competitive markets that are monopolistic, workers will be paid at a lower rate than their productivity, sometimes determined by trade union policies. In contrast to Sharia Economics, the feasibility of wages received by workers is seen from 3 aspects, namely: food, clothing and housing (place to live).

In practice, the wages that occur in fish farming using floating net cages in Kampar, the determination of wages is based on the wage standard of the majority of entrepreneurs/farmers. The implementation of the existing wages has the same definition as the determination of wages by a perfectly competitive market in a conventional economy.

A decent wage is a wage that is within the limits of the workers being able to meet their daily needs (for food, clothing, and housing), and workers must be in a position that allows them to provide a good education for their children and obtain medical facilities for their families. In practice, some of these principles have been fulfilled by the entrepreneurs of floating net cages in Kampar district, because the entrepreneurs bear the cost of eating their workers 3 times and also provide housing. Workers also get bonuses that can meet their clothing needs.

"For myself, if I cover my daily needs, eat, smoke, and live, I have been separated from the work of guarding cages."

Cage owners vary in the amount of bonus giving, some give once a month, some give once a week.

"The bonus depends on the individual, if it's more, I'll give it when I'm specifying what I want to give. The amount is yes, of course, sometimes a lot, sometimes a little. The amount ranges from Rp.100,000/week and there is Rp.500,000 per month. I will also give you Rp.700,000 or more, during Eid."

One of the entrepreneurs/owners of floating net cages said:

"The bonus depends on the harvest, we can't confirm the amount, it depends on how the members work, I usually give it when the harvest is over and the THR is usually Eid."

If we look at the giving of bonuses to workers, which ranged from Rp.500,000 to Rp.700,000 and the wages received by workers on average are Rp.600,000 received by workers can be said to be feasible because it has covered the basic needs of per worker, but the wages earned can only meet the basic needs of a worker in the sense that it can only meet the needs of workers who are not married.

When viewed from the word decent to meet family needs, children's educational needs, medical facilities for families of cage workers and feasible from an economic point of view, the wages received by cage workers cannot be said to be feasible.

Based on the results of an interview with one of the religious leaders named Mr. Zulfarizal said:

"The economy of the community here has improved, in 2006 at the beginning of the community for cages there were one farmer, there were 4 plots, there are 5 plots, now the average farmer has 10 plots, 15 plots and some even have 20"

One of the cage owners, Mr. Ela Masrianto, said:

"When I first started the cage, I had about 6 cages, now thank God I have 15 plots"

"I've been in the floating cage business for ten years. At first, I had 6 cages, now in total there are 19 cages"

In contrast to the entrepreneurs/farmers of floating net cages who have been able to provide a decent life for their families and have improved their economy as evidenced by the increase in the number of cages but the workers have not achieved economic improvement. As one of the cage workers, Mr. Darman (40 years) who has a family, said:

"If I get paid, I eat and smoke, thank God, I have to pay but I have a wife, two children, one of whom is already in school and still living with my parents. If you expect from the salary for keeping cages, it's not enough to be smart about looking for extras, either joining the harvest or other work."

The wages received are only sufficient to meet the basic needs of the workers, because for a single worker, the cage entrepreneur provides a place to live in the form of floating houses in the cage. The cage entrepreneur also pays for the food for his workers. The housing provided is only valid for workers who are not married, of course, for workers who have families, they cannot live in floating houses in cages, meaning that from the wages they receive, they must be able to meet the food needs for their children and wife, education costs for their children. , housing needs and also the need for health costs, so workers who are married or have families must try harder so that the needs of themselves and their families can be met by doing other odd jobs.

From the discussion based on the principle of wage eligibility, it can be concluded that the wages given are decent for workers who do not have families but are not appropriate for workers who already have families.

#### 3. Prioritizing the Help Principle

From the results of research, the entrepreneurs of floating net cages in Kampar always prioritize the principle of mutual assistance, when their workers experience difficulties, entrepreneurs or fish shops are willing to pay salaries in advance to their workers, they say that they always prioritize the principle of kinship and help each other. And if there is a work accident, the owner of the cage or *toke* will be fully responsible for the medical costs of the workers.

Mr. Romi (25 years), who works as a floating net cage worker said:

"The boss wants to give me a cash receipt, sometimes I need money to send it to the village or there is an urgent need, the boss wants to give me a loan, he understands my situation"

Another opinion from floating net cage workers said:

"If there's anything, I usually borrow it from the boss first, then when I receive my salary, it will be cut. Thank God, as long as I work, the boss is not stingy, wants to help"

One cage toke said:

"It's important for me that the child is diligent, if he is diligent, of course, we don't count with him. As long as frankly help"

Likewise, the workers, always try to do their job well in order to optimize the results of fish farming. When there is a delay in payment of wages, the farmers or cage owners always provide a clear reason, and the wages are always given in full and according to the promised delay time without any shortcomings.

#### **CONCLUSION**

Based on the results of the previous discussion, the authors draw the following conclusions:

- 1. The implementation of the work does not use a written contract. Agreements are only made orally using the principles of kinship and mutual trust. Job specifications are explained at the beginning, the amount of salary or cage farmers choose to determine at the beginning and others choose from the final determination with consideration of the performance of their workers.
- 2. Time for payment of wages on time, but if there is a delay in payment, the owner of the floating net cage provides a clear reason. The amount of wages received by workers is in accordance with what was started by the entrepreneur/cage farmer. Employers give bonuses as a reward for the performance of

- their members, workers receive bonuses in different amounts depending on the policies of the entrepreneurs/cage farmers.
- 3. The work accident agreement is not made in writing, however, in the event of a work accident experienced by a worker employed by the cage owner, the medical costs will be fully borne by the cage owner as well as the workers employed for harvesting, which will be fully handled by the fish, but no providing health insurance to workers from the entrepreneur/cage farmer.
- 4. The implementation has not fully met sharia economic principles, because the wages given can only meet the basic needs of cage workers, meaning that workers must find additional work to be able to meet additional needs such as the cost of children's education and also the cost of health or medical facilities.
- 5. There is an increase in the economy by entrepreneurs of floating net cages in Kampar Regency, this can be seen from the increase in the number of each entrepreneur/farmers of floating net cages in Kampar Regency.

#### IMPLICATION, LIMITATION AND SUGGESTIONS

Based on the results of the analysis and discussion in this study, the following suggestions can be made:

- 1. It is hoped that the owners of cages in Kampar Regency can change the standard of wages for workers, so that the wages of workers not only meet decent standards but can increase their productivity and can improve the economy and their families.
- 2. Cage entrepreneurs should regard workers as partners and not as capital factors. Then, cage entrepreneurs should try to create a truly aspirational wage system, so that workers can meet the needs of their lives and their families.
- 3. It is hoped that the cage owners will actively develop business in order to provide employment opportunities for the community, especially the Kampar community.
- 4. The government is expected to provide socialization to cage entrepreneurs/farmers regarding the application of predetermined wage standards, so that there is no wage inequality between cage workers and the economic welfare of the community can be achieved.
- 5. It is expected that there will be socialization from parties who can provide direction on the implementation of business in accordance with Islamic demands, so that the implementation of wages can run well without harming one of the parties.
- 6. The implications of this research can increase people's understanding of the wage system in conventional and sharia views, both in theory and practice.
- 7. The limitation in this study only covers Kampar district, because the largest production of fish is in the cultivation of floating net cages in Kampar district.

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