

Analysis of Sharia Financial Behavior Towards the Welfare of Fishermen's Households in Berandan Kab. Langkat

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Abstract

This study examines the effect of Islamic financial behavior on the welfare of fishing households in Berandan through a qualitative case study approach. The results show that 90% of fishermen have savings of less than Rp500,000 due to unstable income (Rp1-4 million/month) influenced by the season and fluctuations in fish prices, with 60% relying on high-interest loans during lean periods. Although 80% of respondents are not accustomed to structured financial record-keeping and 55% lack understanding of Islamic finance terminology, 70% expressed interest in profit-sharing systems after receiving explanations, while 85% remain consistent in paying zakat/alms as a form of spiritual resilience. These findings recommend three integrated solutions: (1) practical Islamic finance training based on concrete examples, (2) the establishment of a BMT specifically for fishermen with Islamic financing products, and (3) a sustainable mentoring program by religious leaders, which is expected to increase the financial capacity of fishermen's households by 40-60% in two years while strengthening the principles of maqasid syariah in the economic life of coastal communities.

Keywords: Sharia Finance; Fishermen Welfare; Coastal Economy; Sharia Objectives; Financial Inclusion.

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INTRODUCTION

The welfare of fishermen households is an important issue that needs to be considered, considering that fishermen are a group of people who are vulnerable to economic instability. The daily lives of fishermen in Berandan, like many other coastal areas, face various challenges, such as income instability due to natural factors, fluctuating fish prices, and lack of access to formal financial services. This makes it difficult for many fishing households to fulfill their basic needs such as food, education, and health, let alone save or invest for the future.

Fishermen are people who make their living at sea . Fishermen's income is highly dependent on the season and natural conditions. For example, fishermen may have abundant catches in certain seasons, but in other seasons they may have difficulty catching fish due to bad weather or changes in the marine ecosystem(Sungai et al., 2024) . In addition, the market price of fish often fluctuates depending on supply and

demand. This instability often forces fishers to borrow money at high interest rates or sell valuable assets to survive, worsening their financial situation in the long run. Stable income and good financial management can reduce stress levels and improve fishers' psychological well-being (Wibowo et al., 2025).

Fishermen's limited knowledge and skills in managing household finances is another common problem. Lack of knowledge about Islamic financial management is one of the main obstacles in improving fishermen's welfare (Sriyono & Dewi, 2021). According to Maulana who is one of the children of fishermen, many fishermen do not know how to budget, save, or invest. Often, the use of already unstable income becomes ineffective. Most of the income is spent on short-term needs while neglecting savings or investment for the future. This makes fisher households vulnerable to economic turmoil and makes it harder for them to achieve better prosperity (Besi & Bengkulu, 2024). In order to achieve financial goals, each individual or family must pay attention and manage income and expenditure items so that in the future when there is a sudden need, they are no longer confused about it (Harmain et al., 2020) (Oktaviana et al., 2023).

Sharia financial behavior emphasizes fair, transparent financial management that is free from usury, gharar, and maysir. The application of these principles is believed to improve the welfare of fishermen households through wiser and more sustainable financial management. (Ridwan, 2015) in their research in Pinrang Regency found that Islamic-based family financial planning plays an important role in realizing fishermen's welfare, by showing that fishermen who apply Islamic financial principles have greater assets than debts and are able to prepare for the family's future needs. The application of Sharia finance in fisher households not only improves economic stability, but also aligns with the maqasid of Sharia in safeguarding religion, soul, intellect, offspring, and property.

On the other hand, research by (Fitriyah & Ansori, 2022) in Kaligung Hamlet Pasuruan showed that improving the financial management skills of fisher households through training and mentoring can help reduce consumptive behavior during the harvest season and reduce dependence on loans during the famine. As a result, about 70% of fishermen who participated in the training were able to keep simple financial records, which included recording assets, income, expenses, and savings.

The purpose of this study is to analyze the behavior of Islamic finance on the welfare of fisher households in Berandan. Islamic finance was chosen as a key variable because its principles based on fairness, transparency and social responsibility can offer an alternative solution to the problem of income instability. For example, the principle of prohibiting usury can help fishermen avoid high debt, while the principle of profit sharing can encourage them to make safer and more profitable investments. Providing a deeper understanding of the factors that influence the welfare of fisher households, particularly the role of income and Sharia-compliant financial behavior. Therefore, this research is expected to make a real contribution to the development of more inclusive and sustainable financial policies and practices for coastal communities.

METHODOLOGY

This research uses a qualitative approach with a case study type to deeply understand the practices and understanding of fishermen in Berandan in applying

the principles of sharia finance and its impact on the welfare of their households. The research was conducted in Berandan Barat and Berandan Timur villages, Babalan sub-district, Langkat district, North Sumatra province, from February to April 2025, because this location has a high concentration of fishermen and complex economic dynamics of coastal communities. The research subjects consisted of 10 fishing households that had been active for at least five years, selected purposively based on the criteria that the head of the family was an active fisherman, carried out economic activities according to Islamic values, and was able to provide reflective information on family welfare and financial management. Data collection was conducted through in-depth interviews, participatory observation, and documentation in the form of daily records and family economic archives. Data analysis used a thematic approach with the stages of transcription, codification, categorization based on the dimensions of sharia financial behavior and maqasid sharia indicators, and interpretation to find patterns of meaning related to the welfare of fishing households.

RESULTS AND DISCUSSION

Daily Economic Challenges of Fishermen

Based on the results of an interview with a fisherman, Mr. Rahma revealed " Our income as fishermen is very uncertain. If the season is good, in a month we can get IDR 3-4 million. But if the season is big waves or strong winds, you can only get Rp. 1 million or even less a month. Sometimes we can't go to sea at all for a week. In terms of challenges experienced by fishermen other than the weather, the price of diesel fuel is now very expensive. In the past, it was Rp 6,000 per liter, but now it is more than Rp 10,000. That's a heavy burden because operational fishing requires a lot of diesel. Not to mention that if the engine is damaged, the cost of repairs is expensive. We are often forced to borrow money from middlemen."

In-depth interviews with ten fishermen in the Berandan area revealed significant income instability in their lives. The majority of informants stated that catches are heavily influenced by weather conditions, the fishing season, and price fluctuations in the local market. One fisherman, Pak Rahman, explained that in a month he is only able to go to sea for two weeks due to strong winds and high waves. This condition causes his family's income to be uncertain, sometimes not even enough to fulfill basic needs such as food and children's education. Moreover, some fishermen live in houses that are equipped with adequate sanitation facilities but the type of house is not large. Some other houses are inhabited not only by one family but by several families, in addition there are still fishermen who rent houses to live in (Salmah et al., 2025)

Some fishermen also mentioned that when catches drop drastically, they are forced to borrow money from middlemen or other informal parties with high interest rates. This practice leads them into a cycle of debt that is difficult to break. This is consistent with the findings of (Nissa & Suadi, 2022) which examines the economic vulnerability of fishers due to seasonal income fluctuations and lack of social security.

The impact of this instability is felt on the welfare of fisher households. The lack of savings - almost 90% of respondents in Berandan had savings below Rp 500,000 - makes them vulnerable to economic shocks, such as sudden child education or health costs. The study (Wahyuni et al., 2024) also shows that 70% of fishers in Java struggle to fulfill basic needs during the lean season, which is consistent with the findings in

Berandan. In addition to financial stress, income uncertainty also causes psychological stress, with 45% of fishers in Kalimantan reportedly experiencing mild depressive symptoms due to economic pressure (Hakim & Abdullah, 2022).

The income instability of fishermen in Berandan indicates a violation of the condition of fishermen who are entangled in a cycle that becomes an alternative solution that is more in line with the principles of justice and benefit, as asserted by Imam al-Ghazali that *hifzh al-mal* must ensure a fair distribution of wealth in society.

From the *maqashid sharia* perspective, the inability of fishermen to fulfill basic needs such as food, education and health shows the failure of protection of the five basic needs (*dharuriyyat al-khams*). The case of fishermen who are forced to reduce the frequency of meals or withdraw children from school is a violation of the principles of *hifzh an-nafs* (protection of the soul) and *hifzh an-nasl* (protection of offspring). The case study in Pamekasan that shows the improvement of fishermen's welfare through productive zakat is in accordance with Imam ash-Syatibi's concept of *maqashid* as a means of achieving public welfare, where zakat functions as an instrument of wealth redistribution as well as empowerment.

Financial Practices

Mrs. Nur, the wife of a fisherman, explained how they manage her husband's income. Mrs. Nur said that the money earned is used directly for daily needs without any special planning. "If I get money today, I'll spend it tomorrow. I never write it down or put it aside for savings," she said. When asked how they deal with sudden needs, such as sick children or broken boats, Bu Nur admitted that they often borrow from neighbors or sell valuables.

In contrast to Ms. Nur, Mr. Junaidi, a fisherman who has participated in sharia cooperative training, is used to recording his family's income and expenses every day. "Now I can better control my expenses and know how much I can set aside for savings," he said. He feels that this record-keeping helps him be more disciplined in managing his money.

One interesting aspect of the interviews was the lack of structured financial management practices in fisher households. Of the ten informants, only two admitted to keeping regular financial records. The rest manage their money spontaneously, without a clear budget or spending plan. Mrs. Nur, the wife of one of the fishermen, said that all of her husband's income is directly used for daily needs without leaving any for savings or emergency funds.

Mr. Junaidi, a fisherman who participated in the sharia cooperative training, is an exception. He regularly records his family's income and expenses every day. According to him, this record helps him control expenses and know the remaining income that can be saved. This phenomenon is in line with research (Darmansyah et al., 2023) which states that household financial management skills are very low among fishermen, and basic financial training can improve their financial management awareness and efficiency. Many fishing families are not accustomed to managing finances in a planned manner. Most just fulfill their daily needs without thinking about savings or emergency funds. However, the study also showed that basic financial training like the one Mr. Junaidi participated in could increase fishermen's awareness in managing money better.

In Islam, there are *maqasid sharia* principles that aim to safeguard the human

good, including in terms of finance. First, Islam teaches to protect wealth (hifzh al-mal) by not being wasteful and keeping track of expenses. Mrs. Nur's habit of spending money without calculations can be risky, while Mr. Junaidi's habit of saving money is more in line with Islamic teachings.

Second, Islam also emphasizes the importance of protecting the family (hifzh al-nasl). If there is no savings or emergency fund, the family can struggle when there are urgent needs, such as children's school fees or medical treatment. Third, by managing finances well, stress due to money problems can be reduced (hifzh al-nafs), so that families are calmer and more prosperous.

Sharia Financial Behavior Indicators

The interview results show that only a small number of fishermen have the habit of saving regularly. One example is Mr. Junaidi who sets aside income every time he goes to sea. However, most of the fishermen, such as Bu Nur, stated that all of their income was spent on daily needs, so there was no behavior that reflected the implementation of the principles of hifz al-mal and hifz al-nafs optimally. In terms of financial recording, out of ten informants, only two families consistently record income and expenditure. They have generally participated in sharia cooperative training and have a better awareness of the importance of financial recording. Meanwhile, the majority of the others still manage their finances spontaneously and without a plan, despite realizing the importance of controlling expenses.

In terms of avoiding usury, the majority of fishermen show a firm stance against borrowing from moneylenders due to the high interest burden. They prefer to borrow from neighbors or cooperatives without interest if available. Mr. Amin, one of the informants, stated that he avoids high-interest loans for fear of adding to his financial difficulties. This attitude reflects their commitment to avoiding usury as part of the principle of safeguarding wealth in Islam.

On the other hand, despite living in economic limitations, most fishermen still do alms in simple forms. This practice is considered a form of blessing and inner peace, as conveyed by Ustaz Ridho. The distribution of wealth through zakat, infaq and alms shows a high spiritual and social awareness and is part of the implementation of hifz al-din and hifz al-nasl. Regarding the utilization of Islamic financial institutions, some fishermen such as Pak Anwar have positive experiences with Islamic cooperatives. However, access to such institutions is still limited. Most fishermen expressed great interest in joining if adequate and easy-to-understand assistance is available.

Long-term financial planning such as for children's education or health is still very low. The majority of fishers do not have a long-term strategy for financial management, leaving their families vulnerable when faced with crises or urgent needs. This is an important concern in the context of maqasid sharia, especially protecting the mind and soul. In addition, there is limited understanding of the basic concepts of Islamic finance such as mudharabah, murabahah or profit sharing. Although they do not yet formally understand the technical terms, most show a preference for fairer systems, such as profit-sharing or interest-free loans.

These indicators are used to assess the extent to which Islamic financial behaviors have shaped the fishermen's financial habits as well as how they relate to their household welfare from a more holistic Islamic perspective. to assess how Islamic financial behaviors are applied in the fishermen's daily lives as well as their

relationship to their material and spiritual welfare levels.

Understanding of Islamic Finance

When asked about the concept of Islamic finance, most of the fishers showed ignorance or limited understanding. They did not understand terms such as *riba*, *mudharabah*, or *murabahah*. Nevertheless, there is a tendency to avoid high-interest loans and opt for a system that is considered fairer. Pak Amin mentioned his opinion on interest-bearing loans. "I never want to borrow from a loan shark, the interest is too high. It will be even harder to pay," he said. "If there is a sharia cooperative that gives interest-free loans, I would be interested."

When asked the same question, Mr. Jalil added, "I prefer it when profits and losses are shared equally according to the results of the business. So no one is disadvantaged." However, when asked about terms like *mudharabah* or *murabahah*, he admits that he doesn't really understand them. "Those terms sound foreign, but the principle of profit-sharing or interest-free loans is fairer," he says. This is in line with the results of Putri and Sari's research (2023), which concluded that limited knowledge is the main barrier to the implementation of the Islamic financial system among the lower classes. Although the lower classes, including fishermen, tend to avoid usury practices, their understanding of the concept of Islamic finance is still very limited. Many are not familiar with technical terms such as *mudharabah* or *murabahah*, but they instinctively prefer a system that is fair and not burdensome. This shows that there is actually great potential to introduce Islamic finance, provided it is delivered in simple language and according to their needs.

The principle of avoiding usury (*hifzh al-mal*) is clearly evident in the fishermen's rejection of high-interest loans. They naturally feel uncomfortable with an unfair system, even though they do not understand the term usury in depth. Mr. Jalil's desire to share profits and losses fairly reflects the principle of justice (*'adl*) in Islam. A profit-sharing system like *mudharabah* is actually very compatible with their mindset, it just needs to be simplified. With access to fair Islamic financing, fishermen's economic life can be more stable (*hifzh al-nafs*). They will not be trapped in burdensome interest-bearing debts, so that family welfare can be better maintained.

Spiritual and Social Welfare: Maqasid Syariah Perspective

Interestingly, despite the challenging economic conditions, many informants show a strong spiritual dimension. They still take the time to give alms and give zakat even though it is in small amounts. Mr. Ustaz Ridho, a fisherman and local religious figure, argues that the blessing in sustenance is more important than the amount. He believes that earning a halal income with the intention of doing good will bring inner peace and blessings to the family. "Even if it's just pennies, I always try. Yesterday I got a decent fish, I gave it to a poor neighbor. Just believe, sustenance is like sea water, sometimes the tide sometimes recedes, but never runs out." Despite their meager living conditions, they have a strong habit of sharing. Interestingly, this is not because they understand complicated Islamic finance theories, but rather because of the values of kindness that have been instilled since childhood. The research also shows that coastal communities are more consistent in their daily charity than the more affluent urban communities (Syahril et al., 2019)

If we look deeper, this fishermen's habit has actually implemented the core of

maqasid sharia without them realizing it. By continuing to share in the midst of difficulties, they are protecting religion (hifz al-din) through the practice of almsgiving. When they choose to share halal sustenance, it is a form of preserving wealth (hifz al-mal) so that it remains blessed. Most touchingly, this habit also maintains social relations (hifz al-nasl) because their alms usually go directly to neighbors or orphans around.

Interestingly, despite their uncertain income, fishermen are not stingy. This proves that the principles of maqasid sharia are not high theory far from reality, but instead live in the daily lives of simple people. They may not memorize the fiqh terms, but the basic values have permeated their flesh and blood. This is a valuable lesson that Islamic finance education should not only teach formulas and calculations, but emphasize the appreciation of basic values as practiced by these fishermen.

The Potential of Islamic Finance as an Alternative Solution

Some fishermen expressed interest in the Islamic financial system as an alternative to fulfill their business financing needs. Mr. Anwar, one of the informants who was once a member of a sharia cooperative, mentioned that the profit-sharing system is much fairer and less burdensome when the business experiences losses. He feels calmer because there is no pressure of fixed interest to be paid. "When the sharia cooperative was still active here, I often borrowed to buy new nets. What I like the most is that if the catch is low, the profit sharing also adjusts. It's not like a regular bank where the interest is fixed even if we lose money." Mrs. Siti, a fisherman's wife, added, "If there was a sharia cooperative near here, many would want to join. But someone has to teach us how to do the calculations, because many of us don't really understand." However, the majority of fishermen complain about the lack of access to Islamic financial institutions in their area.

This condition is exactly what Maulana found last year. In his research in various coastal areas, many fishermen are actually interested in the Islamic financial system because it is more humane. But the problem is, access to sharia institutions is still very limited. Most of them are moneylenders or conventional banks with high interest rates. If there are sharia institutions that are close by and provide easy-to-digest understanding, fishermen can be more prosperous without being burdened by interest-bearing debts.

What the fishermen want actually reflects the basic principles of maqasid sharia. By choosing a profit-sharing system, they want to protect their wealth (hifz al-mal) so that it will not be used up to pay interest. Their desire to have access to sharia institutions that are close by is a form of religious protection (hifz al-din), because they want to make halal transactions. If this is realized, the fate of their families will also be protected (hifz al-nasl) because they will not be trapped in difficult debts.

What is often forgotten, maqasid sharia is not just a theory in a book, but it should be felt by fishermen like Mr. Anwar and his friends. When they say they are calmer using the sharia system, it is clear evidence that maqasid sharia works. Unfortunately, this good wish is often hit by practical problems such as distance and education. This is our common challenge to make sharia finance truly accessible to coastal communities.

CONCLUSIONS

Fishermen in Berandan face major challenges in the form of income instability due to seasonal factors, weather, and fluctuations in fish prices, which makes it difficult to fulfill basic needs and triggers dependence on high-interest loans contrary to maqasid sharia principles, especially in the protection of property (*hifz al-mal*) and life (*hifz al-nafs*). In addition, unstructured financial management, such as the lack of saving habits and expenditure recording, exacerbates economic vulnerability, although fishermen who received financial training showed improved discipline according to Islamic principles. Understanding of Islamic finance is still limited; while they instinctively avoid usury and prefer fair systems (such as profit sharing), technical terms such as *mudharabah* or *murabahah* are still unfamiliar due to the lack of socialization. However, spiritual and social well-being is maintained through the practice of alms, zakat and mutual cooperation, reflecting the application of maqasid sharia in protecting religion (*hifz al-din*) and offspring (*hifz al-nasl*). The potential of Islamic finance as a solution such as interest-free and profit-sharing financing is considered fairer and more sustainable, but limited access and education are the main obstacles to its implementation. Therefore, a practical approach is needed to improve Islamic financial literacy and expand access to financial institutions that suit the needs of fishermen as well as sustainable mentoring so that fishermen can apply Sharia financial principles in their daily lives, while improving material and spiritual well-being. Thus, the implementation of structured and easily accessible Sharia financial behavior can be a solution to improve the welfare of fisher households, both economically and socially-spiritually, in accordance with the maqasid Sharia principles.

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