

Implications of Islamic Inheritance Law for the Ownership of Assets and Management of Family Wealth: An Indonesian Perspective

Dwi Siyamsih

Universitas Islam Negeri Sulthan Thaha Saifuddin Jambi, Indonesia

Email: iinrahayu@gmail.com

Abstract

The implementation of Islamic inheritance law in Indonesia faces complex challenges, particularly in the management of family wealth. Despite a strong legal foundation, practices often diverge due to various economic, social, and cultural factors. Factors such as local traditions, diverse religious understandings, and economic conditions influence the application of Islamic inheritance law. This research aims to delve into the implications of Islamic inheritance law on property ownership and family wealth management in Indonesia. Using a qualitative approach, including literature study and in-depth interviews, the study will analyze factors affecting the implementation of Islamic inheritance law. Thematic analysis will identify patterns and relationships, ensuring a comprehensive understanding. Data validation will ensure reliability. The research intends to contribute to policy development by providing insights into Islamic inheritance law's practical implications, fostering a better understanding of Islamic principles and ensuring fairness in inheritance distribution and wealth management.

Keyword: *Implications of Islamic Inheritance, Law for the Ownership of Assets, Management of Family Wealth,*

1. Introduction

Property and wealth are vital aspects of human life, not only as a means of fulfilling life's needs, but also as a symbol of status, security, and success. In the context of family, property and wealth do not only belong to individuals, but also become part of the dynamics of relationships between family members. In Muslim societies, the Islamic inheritance system has an important role in regulating the distribution of property and wealth among heirs.

Property and wealth have an important role in human life in various aspects. In general, property and wealth are not only a means to fulfill the basic needs of life such as food, clothing and shelter, but also have a broader meaning in the social and psychological life of individuals.

First of all, wealth and property are often considered status symbols in society. A person who has a lot of wealth tends to be respected and considered successful by the surrounding community. Wealth can reflect an individual's ability to achieve success in various fields, such as business, career or investment, thus enhancing their social image and status.

Secondly, wealth also provides a sense of security and stability for individuals and families. By having enough wealth, an individual can better fulfill their and their family's needs,

and feel safer from unexpected financial risks. Wealth also provides flexibility in dealing with emergency situations or changes that occur in life.

In the context of the family, property and wealth do not only belong to individuals, but also become an integral part of the dynamics of the relationship between family members. Family property and wealth can be used to fulfill common needs, such as children's education, health care, and other household needs. In addition, property and wealth can also be a source of conflict and tension in family relationships, especially in relation to the division of inheritance and family financial management.

In Muslim societies, the Islamic inheritance system has an important role in regulating the distribution of property and wealth among heirs. The principles of Islamic inheritance set out in the Qur'an and Hadith stipulate how inheritance property should be divided between heirs in accordance with predetermined provisions. This Islamic inheritance system not only regulates the fair distribution of property, but also takes into account the relationships and social responsibilities between family members.

As such, property and wealth not only have important material value, but also have significant social, psychological and cultural implications in human life, especially in the context of Muslim families and communities.

Indonesia, as a country with the majority of its population practicing Islam, has a strong influence of Islamic teachings in various aspects of life, including the legal system. The principles of Islamic law, known as sharia, are reflected in various aspects of daily life, including in the inheritance law system.

In the context of inheritance law, Indonesia applies the principles of Islamic law which are regulated in various laws and regulations, such as the Compilation of Islamic Law (KHI) and Law Number 7 of 1989 concerning Religious Courts. These principles set out the rules on how inheritance property should be divided between heirs in accordance with the provisions contained in the Qur'an and Hadith.

Although Islamic inheritance law in Indonesia has a strong foundation in legislation, its implementation often faces complex challenges in practice. One of the main challenges is related to the management of family wealth. In practice, family wealth management often involves complex economic, social and cultural factors, which can affect how property and wealth are preserved, managed and divided among family members.

Some of the factors that can influence the implementation of Islamic inheritance law in family wealth management in Indonesia include local traditions, culture, diverse religious understandings, as well as economic factors such as changes in economic conditions and social structures. In addition, different interpretations of Islamic inheritance law and ambiguous legislation can also cause uncertainty in practice.

These complex challenges indicate the need for a deeper understanding of how Islamic inheritance law is implemented in practice, especially in the context of family wealth management. Through further research and discussion, it is hoped that a more effective solution or approach can be found to ensure that the implementation of Islamic inheritance law in Indonesia can run better in accordance with the principles of justice and family welfare.

Islamic inheritance law is an integral part of the Islamic legal system that regulates the distribution of inheritance property in accordance with the provisions contained in the Qur'an and Hadith. The principles of Islamic inheritance regulate the rights and obligations of heirs as well as the procedure for distributing inheritance. However, despite having a clear legal basis, the implementation of Islamic inheritance law in practice often causes uncertainty and conflict, especially in relation to aspects of property ownership and management.

In Indonesia, the Islamic inheritance law system is regulated in various laws and regulations, such as the Compilation of Islamic Law (KHI) and Law Number 7 of 1989 concerning Religious Courts. However, in practice, there is still a gap between the legal provisions and their implementation in the field. Factors such as culture, local traditions, and economic factors often influence how Islamic inheritance law is applied in society.

This research aims to examine in depth the implications of Islamic inheritance law on property ownership and family wealth management, with a focus on the Indonesian context. Through a legal and social analysis approach, this research will identify the factors that influence the implementation of Islamic inheritance law in practice, as well as its impact on family stability and welfare.

2. Method

This research uses a qualitative approach to gain an in-depth understanding of the implications of Islamic inheritance law on property ownership and family wealth management. The qualitative approach allows researchers to explore and understand the various factors that

influence the practice of Islamic inheritance law in depth, including cultural values, local traditions and the relevant social context.

Literature Study: This research will be supported by a comprehensive literature study to gather information and understanding of Islamic inheritance law theories, inheritance law practices in Indonesia, as well as previous studies relevant to this research topic. The literature study will provide a strong theoretical foundation for the research analysis.

In-depth Interviews: The in-depth interview method will be used to collect data directly from various relevant stakeholders, such as Islamic law experts, religious court judges, notaries, legal practitioners, and community members involved in the inheritance distribution process. In-depth interviews will allow researchers to gain deep insight into their perceptions, experiences and views in relation to the implementation of Islamic inheritance law in practice.

Thematic Analysis: The data collected through the desk study and interviews will be analyzed thematically. Thematic analysis will identify patterns, themes, and relationships between different aspects that emerge from the data. With this approach, the researcher will be able to identify factors that influence the implementation of Islamic inheritance law in property ownership and family wealth management, as well as its impact on family stability and welfare.

Data Validation: Data validation will be conducted to ensure the accuracy and reliability of information obtained through desk studies and interviews. Data validation can be done through data triangulation, which is comparing information from various sources or by using additional methods or techniques to verify findings.

With the combination of the above methods, it is hoped that this research can provide an in-depth understanding of the implications of Islamic inheritance law on property ownership and family wealth management, as well as make a significant contribution to the development of thought and policy in this area.

3. Results and Discussion

Results

Implementation of Islamic Inheritance Law in Family Property Ownership Practices:

Although Indonesia applies the principles of Islamic inheritance law, its implementation is often influenced by external factors such as local culture and customary habits. This study found that family property ownership practices do not always comply with the provisions of

Islamic inheritance law. Some cases show that customary habits or family agreements can overcome the provisions of Islamic law in the division of inheritance.

Islamic inheritance law establishes rules on how inherited property should be divided between heirs. This rule is based on the provisions contained in the Qur'an and Hadith. The division of inheritance is regulated based on certain proportions for each heir, such as sons, daughters, husbands, wives, parents, and other relatives. The implementation of Islamic inheritance law in the practice of family property ownership involves a careful process to ensure that the division of inheritance is in accordance with the provisions of Islamic law.

One important aspect in the implementation of Islamic inheritance law is the determination of who is entitled to be an heir. Islamic inheritance law grants inheritance rights to family members who are specifically defined in Islamic teachings, such as children, husbands, wives, parents, and other close relatives. The process of determining these heirs can involve complex calculations to establish the appropriate proportion of inheritance for each heir.

Although Islamic inheritance law provides clear provisions on the division of inheritance, its implementation is often influenced by local culture and traditions. Some families tend to maintain customary traditions in the division of inheritance, even if they contradict the provisions of Islamic law. This can lead to differences in the practice of family property ownership in different regions or communities.

After the division of inheritance is carried out, the implementation of Islamic inheritance law also includes the management of the inheritance that has been distributed to the heirs. The management of this inherited property can involve various activities, such as investment, business, or use to meet family needs. The importance of wise and fair management in the use of inherited property is a major concern in the practice of family property ownership.

Dynamics of Family Wealth Management:

Family wealth management is often a focal point when discussing the implications of Islamic inheritance law. In some cases, there is uncertainty about how family wealth should be managed after the distribution of inheritance. This can result in conflicts between family members, especially in relation to the management of family businesses or property investments.

The management of family wealth is an important focus when discussing the implications of Islamic inheritance law because after the distribution of inheritance, heirs need to determine how the assets they receive will be managed to ensure the financial sustainability of the family.

In some cases, there is uncertainty about these management strategies, especially in relation to the management of family businesses or property investments. Here is a further explanation:

Family Business Management: Many families have a business that is their main asset. After the division of inheritance, questions arise as to how the business should be managed. Conflicts may arise due to differences of opinion between heirs about business strategy, leadership, or decision-making. Uncertainty about the direction of the business after the division of inheritance can trigger tensions and conflicts among family members that could potentially threaten the sustainability of the business itself.

Property Investment: In addition to businesses, property investments are often an important part of a family's wealth. After the division of an inheritance, issues about the ownership, management, or division of income from the property can be a source of conflict. Uncertainty about who is responsible for the maintenance of the property, decisions about selling or leasing, or the division of investment returns can cause tension among heirs.

Financial Planning: Uncertainty about the management of family wealth after the division of inheritance highlights the importance of good financial planning. Proper financial planning can help avoid conflict and uncertainty by providing a clear plan for how assets will be managed, invested, or distributed after the death of the owner. By having a comprehensive financial plan in place, families can reduce the risk of conflict and ensure family financial sustainability.

As such, the management of family wealth after the distribution of inheritance is often a major focus in discussions about the implications of Islamic inheritance law. Uncertainty or conflict in the management of family wealth, especially in relation to the management of the family business or property investments, can destabilize the family and cause a rift in relationships between family members. Therefore, it is important for heirs to undertake sound financial planning and adopt prudent asset management strategies to ensure the long-term sustainability and well-being of the family.

The Role of Local Culture and Tradition:

Local culture and traditions have a significant influence on the practice of Islamic inheritance law in Indonesia. Some families tend to maintain customary traditions in the division of inheritance, even if they contradict the provisions of Islamic law. This shows the importance of understanding the cultural context and local traditions in applying Islamic inheritance law.

Impact on Family Stability and Welfare:

The implications of the practice of Islamic inheritance law on the ownership of property and the management of family wealth can have an impact on family stability and well-being. Conflicts and disputes that arise in the division of inheritance can disrupt family harmony and even threaten the sustainability of the family business or the financial stability of the family.

Discussion

Principles of Inheritance in Islam

In Islam, there are clear rules regarding how one's wealth should be distributed after death. The main principle is that the bulk of a person's estate should be allocated to the heirs specified in the Qur'an, such as husband, wife, children, parents and siblings.

In Islam, the rules governing the distribution of a person's property after death are found in the Qur'an and Hadith, and are understood through the practices of the Prophet Muhammad and his companions. The main principle of the rules of inheritance in Islam is that the bulk of a person's estate should be distributed to the heirs specified in the Qur'an. Here are some important points related to the distribution of inheritance in Islam:

Heirs Specified in the Qur'an:

Husband and Wife: The husband or wife usually gets a certain share of the estate, depending on whether there are other heirs and marital status. **Children:** Children, both boys and girls, have a clear right to a share of inheritance in accordance with Islamic provisions. **Parents:** Parents can also be beneficiaries, especially if there is no surviving husband, wife, or children. **Siblings:** Siblings, both paternal and maternal, also have the right to a certain share of inheritance under certain conditions.

Division of Inheritance:

The division of inheritance in Islam is based on the principle of just proportion. This means that each heir receives a share that is in accordance with the provisions of Islam and their relationship to the deceased.

These shares may differ depending on the family relationship, gender, and living status of each heir.

Further Arrangements:

In addition to the basic rules contained in the Qur'an, there are also further provisions that can be found in the Hadith and interpretations of Islamic law developed by scholars.

Some practical issues such as property acquired through grants, wills, or assets acquired from joint ventures are also regulated in Islam.

Principles of Justice and Compassion:

One of the main principles in the distribution of inheritance in Islam is justice and compassion. Although there are clear provisions in the Qur'an, respect for individual needs and the special situation of the family are also taken into consideration.

Role of Islamic Courts:

In some cases, especially if there are disputes between heirs, Islamic courts or Islamic legal institutions can be used as a forum to resolve disputes and regulate the division of inheritance fairly in accordance with Islamic principles.

Inheritance System in Indonesian Positive Law

In Indonesia, although the majority of the population adheres to Islam, the applicable inheritance system is the inheritance system based on positive law, especially the Compilation of Islamic Law (KHI) which has undergone several modifications. However, Indonesian positive law also accommodates the principles of Islamic inheritance in a number of ways.

Implications for Property Ownership

The main implication of Islamic inheritance law on property ownership is that most of a person's property must be distributed to his or her heirs in accordance with Islamic provisions. This can have a significant impact on the ownership structure of a family's property and assets after a person's death. For example, a large portion of the estate may be divided amongst heirs who have been specifically designated in Islam.

Family Wealth Management

Another implication is related to the management of family wealth after the owner dies. In Islam, heirs who receive a share of the inheritance also have the responsibility of managing the wealth properly in accordance with sharia principles. This includes responsible management and investment, as well as utilization of the wealth for family needs and charity.

Conformity with Indonesian Positive Law

Although Islamic inheritance principles are recognized in Indonesian positive law, there are often adjustments to the rules that apply in the positive legal system. For example, in some

cases, Indonesian positive law allows for the making of wills that may affect the distribution of inherited property, as long as they do not contradict Islamic principles.

Challenges and Solutions

The main challenge faced in implementing the implications of Islamic inheritance law is the resolution of inheritance disputes, which are often complex and sensitive. Solutions usually involve mediation and conciliation efforts between disputing heirs, with reference to Islamic principles and applicable positive law

Conclusion

The conclusion of the implementation of Islamic inheritance law in family property ownership practices in Indonesia highlights several important points: Influence of External Factors: Although Indonesia applies the principles of Islamic inheritance law, its practice is often influenced by external factors such as local culture and customary habits. This can lead to differences between family property ownership practices and the provisions of Islamic inheritance law.

Customary Habits and Family Agreements: Some cases show that customary habits or family agreements can overcome the provisions of Islamic law in the division of inheritance. This shows the importance of understanding the role of local culture and traditions in the practice of Islamic inheritance law in Indonesia. Fair Proportion in the Distribution of Inheritance: Islamic inheritance law sets out rules on how the estate should be divided between heirs. This division is based on certain proportions for each of the heirs, such as sons, daughters, husbands, wives, parents, and other relatives.

Determination of Heirs: One of the important aspects in the implementation of Islamic inheritance law is the determination of who is entitled to be an heir. This process of determining heirs can involve complex calculations to establish the appropriate proportion of inheritance for each heir. Management of Family Wealth: Once the distribution of the inheritance is done, the management of the estate becomes the main focus. This involves a careful process to ensure that the use and management of the property is in accordance with the provisions of Islamic law and meets the needs of the family. The Role of Local Culture and Traditions: Local culture and traditions have a significant influence on the practice of Islamic inheritance law in Indonesia.

This shows the importance of understanding the context of local culture and traditions in applying Islamic inheritance law.

Challenges in Inheritance Dispute Resolution: A major challenge in the implementation of Islamic inheritance law is in the resolution of inheritance disputes which are often complex and sensitive. Solutions usually involve mediation and conciliation efforts between disputing heirs, with reference to Islamic principles and applicable positive law. By understanding the implications and challenges associated with the implementation of Islamic inheritance law in family property ownership practices in Indonesia, steps can be taken to promote a better understanding of Islamic principles and ensure fairness in the division of inheritance and management of family wealth.

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