## **ABSTRACT**

Mazamy, Najibullah. 09220068. 2013. *Bonus on Herbalife Network Marketing Company in The Perspective of Ju'âlah Concept*, Sharia Business Law Department, Sharia Faculty, The State Islamic University of Maulana Malik Ibrahim of Malang. Supervisor: Dr. Sudirman, M.A.

**Keywords**: Bonus, network marketing, *ju'âlah* 

The activity of giving bonuses awarded by network marketing companies for the success distributors is the main system in network marketing business. Successfull distributors are they who have been succeeding in selling products and building networks. The effect of their successes to the company is the expanding sales of the products. Because of this advantage, the company give promises the distributors great rewards.

The last data show that there are about 64 legitimate network marketing businesses in Indonesia and more than 8 millions of the citizens are in this business. They intend to get the most promising income in the business called bonus, a free income. Ironically, thousands even millions of them have suffered because they cannot survive in maintaining and developing the business. A data counted that 60% people who come to this business failed. Only some of the strongest people succeed and get great incomes. Selling products personally, getting people and keeping them to sell products (building networks) are the main marketing system in this business. This is not an easy job and not everyone can do this surely.

To build networks and keep expanding sales is one of the primary goals of a network marketing company. For this, they have a marketing system that says "every member who can reach certain achievements in sales and building network, he will get a free income awarded by the company that is not taken from his directly sales to consumers and other distributors. The member just have to keep great sales and maintaining networks and following the rules." This is such a kind of *shîghah* in a contract of announcing competition which the contract is called *ju'âlah* in Islamic jurisprudence (*fiqh*). As it was stated in a fatwa by *Dâr al Iftâ* Egypt, that there are three kinds of contract in a network marketing business. They are. The latest is the contract of awarding free income or bonus.

The research reveals that the contract of awarding bonus especially practiced by a network marketing company Herbalife includes  $ju'\hat{a}lah$  contract seen from Islamic jurisprudence. The unexistence of agreement in front, the whoever second party who will do it, the unclear kinds of job should be done, they are in accordance with  $ju'\hat{a}lah$  concept. The only aim of the first party (company) is achevements reached by distributors following the rules. In Islamic jurisprudence perspectives madzhab Hanafi,  $ju'\hat{a}lah$  contract is not allowed due to the existence of  $ghar\hat{a}r$  and  $juh\hat{a}lah$ . According to Madzhab Maliki, Syafi'y, and Hanbali, ju'âlah contract is permissible referring to QS. Yûsuf: 72. They gave a rukhshah for the existence of  $ghar\hat{a}r$  and  $juh\hat{a}lah$  in this contract.