SHIRKAH AS A RISK MANAGEMENT MECHANISM FOR HALAL SMEs IN INDONESIA: A SYSTEMATIC LITERATURE REVIEW

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BACKGROUND: Halal Micro, Small, and Medium Enterprises (SMEs) in Indonesia face various risks, such as limited capital, supply chain disruptions, market fluctuations, and contract uncertainty. Conventional risk management instruments such as insurance or collateralized financing often use a risk transfer model that is contrary to Islamic economic principles. In contrast, Shirkah profit-sharing partnerships based on Islamic law offer a risk-sharing mechanism that serves not only as a financing contract but also as a strategic framework for risk mitigation. However, the current literature discusses Shirkah more as a form of contract, rather than as an integrated risk management model. Therefore, this study aims to systematically examine how Shirkah is conceptualized and applied as a risk management mechanism in halal SMEs.
METHOD: The Systematic Literature Review (SLR) was conducted following the PRISMA protocol. Peer-reviewed articles published between 2015 and 2025 sourced from Scopus, Google Scholar, Dimensions, and DOAJ use keywords such as "Shirkah", "risk management", and "Halal SMEs". Studies focusing on Shirkah-based risk-sharing mechanisms in SMEs were included, while non-empirical studies, non-Islamic financial contexts, and non-peer-reviewed sources were excluded. After initial screening and deduplication, 142 articles were identified, and 30 articles were selected for thematic synthesis. The analysis classifies the findings into dominant patterns, conceptual models, and research gaps regarding the use of Shirkah as a risk management mechanism.
RESULTS & DISCUSSION: The systematic review of 30 selected articles reveals that Shirkah has been primarily applied within financing frameworks through Musharakah and Mudarabah contracts. Its role as an institutionalized risk management mechanism remains underexplored. Thematic synthesis indicates that Shirkah-based partnerships enable equitable distribution of risk between capital providers and entrepreneurs, thereby reducing default risk and enhancing business resilience. Key challenges identified include asymmetric information, lack of standardized governance, and limited literacy among SME actors regarding Shirkah principles. Based on these findings, a conceptual model is proposed, positioning Shirkah as a hybrid mechanism that integrates financial partnership, collective responsibility, and strategic risk-sharing.
CONCLUSION: Shirkah demonstrates strong potential as a risk management mechanism for halal SMEs in Indonesia, supporting a paradigm shift from conventional risk transfer toward risk-sharing. The review suggests that future research should focus on empirical validation,

regulatory alignment, and digital-based implementation to enhance scalability, adoption, and sustainability of Shirkah-based risk management models.
KEYWORDS: Shirkah, Risk Management, Halal SMEs, Islamic Finance, Systematic Literature Review