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Contesting Islamic Authority in the Digital Public Sphere: Divergent Cryptocurrency Rulings within Nahdlatul Ulama in Indonesia

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Abstract:
The expansion of internet-based communication has transformed the production, circulation, and reception of Islamic legal authority, yet existing studies have largely examined fragmentation across competing religious groups rather than within a single organization sharing similar doctrinal and institutional traditions. This study investigates how digital media intensify identity contestation and the fragmentation of Islamic legal authority through the divergent cryptocurrency rulings issued by LBM PWNU East Java and LBM PWNU Special Region of Yogyakarta. Employing a qualitative empirical-sociological approach and virtual ethnography, the study analyzes the two legal rulings and their circulation in digital media through the lenses of authority, identity, and digitally mediated communication. The findings show that intra-organizational fragmentation emerges from the interaction of three forces: the human propensity for interpretive difference, the historically plural character of Islamic legal development, and the communicative affordances of internet-based media amid new technological phenomena such as cryptocurrency. Digital mediation further accelerates four interconnected processes: the desacralization of religious truth claims, the deterritorialization of religious-authority contestation, the decorporealization of communication, and the banalization of religious understanding. The study demonstrates that religious authority may become dispersed even within a relatively cohesive Islamic organization, thereby challenging assumptions that fragmentation primarily occurs between rival groups. It contributes to studies of digital religion and Islamic law by proposing cross-regional scholarly consolidation in takhrij al-manat, tahqiq al-manat, tanqih al-manat, and tatbiq al-manat, supported by dialogue among Islamic scholarship, philosophy, and contemporary science.

Keywords: Cryptocurrency, Digital Religion, Islamic Legal Authority, Nahdlatul Ulama, Religious Authority Fragmentation

Abstrak:
Kecanggihan teknologi informasi digital telah mengubah penyebaran dan penerimaan otoritas hukum Islam. Namun, studi-studi terkait mengkaji persoalan ini berpusat pada fragmentasi antar-kelompok keagamaan yang bersaing. Belum banyak studi yang mengkaji fragmentasi di dalam satu organisasi yang memiliki tradisi doktrinal dan kelembagaan serupa. Studi ini mengkaji bagaimana media digital mempertajam kontestasi identitas dan fragmentasi otoritas hukum Islam melalui fatwa yang berbeda mengenai mata uang kripto yang dikeluarkan oleh Lembaga Bahtsul Masail (LBM) PWNU Jawa Timur dan LBM PWNU Daerah Istimewa Yogyakarta. Dengan menggunakan pendekatan sosiologis-empiris dan etnografi virtual, studi ini menganalisis kedua fatwa tersebut serta penyebarannya di media digital melalui lensa otoritas, identitas, dan komunikasi yang dimediasi secara digital. Artikel ini menunjukkan bahwa fragmentasi intra-organisasi muncul dari interaksi tiga kekuatan: kecenderungan manusia untuk memiliki perbedaan penafsiran, karakter perkembangan hukum Islam yang secara historis majemuk, serta karakteristik komunikatif media berbasis internet di tengah fenomena teknologi

baru seperti mata uang kripto. Mediasi digital semakin mempercepat empat proses yang saling terkait: desakralisasi klaim kebenaran agama, deteritorialisasi kontestasi otoritas keagamaan, dekorporealisasi komunikasi, dan banalisasi pemahaman keagamaan. Studi ini berargumen bahwa otoritas keagamaan dapat terpecah bahkan di dalam organisasi Islam yang relatif kohesif, sehingga menantang anggapan bahwa fragmentasi terutama terjadi di antara kelompok-kelompok yang bersaing. Studi ini memberikan kontribusi pada kajian agama digital dan hukum Islam dengan mengusulkan konsolidasi keilmuan lintas wilayah dalam aspek takhrij al-manat, tahqiq al-manat, tanqih al-manat, dan tatbiq al-manat, yang didukung oleh dialog antara keilmuan Islam, filsafat, dan sains kontemporer.

Kata Kunci: Mata uang kripto, Agama Digital, Otoritas Hukum Islam, Nahdlatul Ulama, Fragmentasi Otoritas Keagamaan

Introduction

In Islamic history, the transmission of information and communication has been inextricably linked to the evolution of media technology.[1] For instance, the dissemination of Islamic teachings initially relied on simple media such as palm leaves, bones, and animal hides. Over time, media evolved with the advent of paper, printing technology, and, ultimately, internet-based online media. Yet, the struggle for influence and authority within the Muslim community has also been closely tied to these developments in information and communication media. This connection stems from the inherently neutral nature of media, at least initially making it an effective tool in contests over authority and identity. A remarkable example of this in the history of Islamic politics and authority is the 1979 Iranian Revolution, during which the regime of Shah Reza Pahlavi was successfully overthrown through the propaganda of Imam Khomeini, orchestrated from his exile in Iraq and Franceusing communication and information media such as audio cassettes, newspapers, bulletins, and leaflets.

The Iranian Revolution set the stage for the 1980 International Conference of Islamic Media, which examined the emergence and influence of media within the Muslim community. In late 2011, the Second International Conference of Islamic Media was held in Jakarta, Indonesia, under the theme "*New Media and Information Technology: Challenges and Opportunities*. The agenda was notably optimistic, focusing on how media could project a positive image of Islam, foster unity, strengthen the faith, preserve noble Islamic identity, and counter extremism. At the time, however, conference participants had not yet directly experienced the threats and destructive impacts of internet-based new media—particularly regarding the strength and solidity of Islamic religious authority.[2] This article presents evidence that the digital media ecosystem is in-

[1] Dale F. Eickelman and Jon W. Anderson, eds., *New Media in the Muslim World: The Emerging Public Sphere*, 2nd ed. (Bloomington: Indiana University Press, 2003).

[2] Mutohharun Jinan, "New Media dan Pergeseran Otoritas Keagamaan Islam di Indonesia," *Jurnal Lektur Keagamaan* 10, no. 1 (2012): 181–208, https://doi.org/10.31291/jlk.v10i1.178; Irwan Abdullah, "Di Bawah Bayang-Bayang Media: Kodifikasi, Divergensi, dan Kooptasi Agama di Era Internet," *Sabda: Jurnal Kajian Kebudayaan* 12, no. 2 (2017): 116–121, https://doi.org/10.14710/sabda.12.2.116-121; Viva Budy Kusnandar, "Pengguna Internet Indonesia Peringkat ke-3 Terbanyak di Asia," *Databoks*, October 14, 2021, https://databoks.katadata.co.id/datapublish/2021/10/14/pengguna-internet-indonesia-peringkat-ke-3-terbanyak-di-asia.

creasingly fueling identity contestation and accelerating the fragmentation of authority within the Muslim community, even within specific sects and organizations.[3]

In this context, the author examines the divergent legal rulings issued by the Bahtsul Masail Institutions (LBM) of the East Java and Special Region of Yogyakarta branches of Nahdlatul Ulama (PWNU) regarding cryptocurrency, a form of digital currency that has emerged from the dynamics of modern, internet-based human transaction mechanisms. As such, it exists virtually and lacks a physical form. Digital currency is widely used globally; it has measurable value and can be stored in "digital wallets" within an internet-based environment. Beyond serving as a medium of exchange, cryptocurrency is frequently treated as a commodity. It can be described as a product of cutting-edge information and communication technology advancements in finance, exchange, and modern economic mechanisms.[4]

However, as a novelty, cryptocurrency has not been universally embraced. Communities evaluate cryptocurrency not only by its convenience, security, and effectiveness, but also through the lens of other values—specifically legal aspects, including religious law. It is therefore unsurprising that many segments of the Indonesian Muslim community question the legal status of cryptocurrency under Islamic law. Consequently, this issue has become pressing for *mufti* (Islamic legal scholars), fatwa councils, and positive law regulators in Indonesia. In this regard, although Indonesia lacks definitive regulations, the Indonesian Ulema Council (MUI) has issued a fatwa declaring cryptocurrency is forbidden.[5]

Generally, legal rulings regarding a specific issue within a single institution or organization tend to be uniform. Against this backdrop, an unusual situation has arisen within the Islamic civil society organization Nahdlatul Ulama: a divergence in rulings concerning the legal status of cryptocurrency between the Bahtsul Masail Institute of the East Java Regional Board (LBM PWNU) and the Bahtsul Masail Institute of the Special Region of Yogyakarta Regional Board (LBM PWNU). The East Java LBM PWNU declared cryptocurrency *haram* (forbidden), whereas the Yogyakarta LBM PWNU deemed it *halal* (permissible).[6] This difference in perspective and legal ruling warrants close examination. In reality, differences of legal opinion among fiqh (Islamic jurisprudence) scholars are common and natural. Indeed, under the *mushawwibah* the-

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[3] Ahmad Najib Burhani, "Plural Islam and Contestation of Religious Authority in Indonesia," in *Islam in Southeast Asia: Negotiating Modernity*, ed. Norshahril Saat (Singapore: ISEAS Publishing, 2018), 140–163, https://doi.org/10.1355/9789814818001-009; Norshahril Saat and Ahmad Najib Burhani, eds., *The New Santri: Challenges to Traditional Religious Authority in Indonesia* (Singapore: ISEAS–Yusof Ishak Institute, 2020); Gary R. Bunt, *Hashtag Islam: How Cyber-Islamic Environments Are Transforming Religious Authority* (Chapel Hill: University of North Carolina Press, 2018).

[4] Jake Frankenfield, "Cryptocurrency," *Investopedia*, accessed July 28, 2022, https://www.investopedia.com/terms/c/cryptocurrency.asp.

[5] Majelis Ulama Indonesia, "Keputusan Fatwa Hukum Uang Kripto atau Cryptocurrency," November 12, 2021, https://mui.or.id/baca/berita/keputusan-fatwa-hukum-uang-kripto-atau-cryptocurrency.

[6] Choirul Anam, "Keputusan PWNU Jatim tentang Cryptocurrency dan Bursa Kripto," *NU Online Jatim*, November 2, 2021, https://jatim.nu.or.id/keislaman/keputusan-pwnu-jatim-tentang-cryptocurrency-dan-bursa-kripto-BTFtN; Ratna Ajeng Tejomukti, "Beda dengan MUI dan NU Jatim, NU Yogyakarta Bolehkan Kripto," *Republika*, November 22, 2021, https://khazanah.republika.co.id/berita/r2yxt7320/beda-dengan-mui-dan-nu-jatim-nu-yogyakarta-bolehkan-kripto.

ory, all legal rulings formulated by *mujtahids* (jurists) through the process of *ijtihad* are considered correct, even if contradictions exist between one opinion and another.[7] However, Nahdlatul Ulamaserves as a vehicle for an interest group defined by a shared vision, mission, and foundational values; these values may come into contention with other interest groups in the public sphere.[8] When legal views within the organization diverge, they can obscure the values the organization collectively upholds and create anomalies in organizational principles that should function harmoniously. Furthermore, conflicting rulings on legal status within a single organization can confuse the community or the organization's members. In the current era of advanced information and communication technology, the differing decisions made by the East Java and Yogyakarta LBM PWNU branches are accessible to *nahdliyin* (NU members) everywhere, whether in East Java, Yogyakarta, or across the globe. Consequently, these differences in legal opinion cannot be compartmentalized among *nahdliyin* by geographic region.

Divergences and contradictions in legal rulings at least indicate differing understandings regarding the core subject matter, perspectives, or values held by the individuals or groups issuing the decisions. Moreover, such differences of opinion often reflect contests over identity and the fragmentation of authority.[9] While the latter typically occurs between different groups or factions, it becomes particularly intriguing when such dynamics arise within a single group or organization. Consequently, this paper examines contests over identity and the fragmentation of authority within the legal derivation (*istinbath*) systems for cryptocurrency used by the LBM PWNU of East Java and the LBM PWNU of DI Yogyakarta.

Research methods

This study employs a qualitative comparative socio-legal case study to examine the divergence in Islamic legal rulings on cryptocurrency issued by the Bahtsul Masail Institutions of the East Java Regional Board of Nahdlatul Ulama (LBM PWNU East Java) and the Special Region of Yogyakarta Regional Board of Nahdlatul Ulama (LBM PWNU Yogyakarta). This research design is appropriate because the study is concerned not merely with the normative content of the two legal rulings, but also with the processes of legal reasoning (*istinbat al-ahkam*), institutional authority, identity construction, and the circulation of religious authority within a digital media environment.[10]

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[7] Tāj al-Dīn ʿAbd al-Wahhāb al-Subkī, *Jamʿ al-Jawāmiʿ fī Uṣūl al-Fiqh*, vol. 2 (Dar Ibn al-Jawzī, n.d.).

[8] Max Weber, *On Charisma and Institution Building: Selected Writings*, ed. S. N. Eisenstadt (Chicago: University of Chicago Press, 1968); Kimberly A. Maynard, *Healing Communities in Conflict: International Assistance in Complex Emergencies* (New York: Columbia University Press, 1999).

[9] Ismail Fajrie Alatas, *What Is Religious Authority? Cultivating Islamic Communities in Indonesia* (Princeton, NJ: Princeton University Press, 2021); Azyumardi Azra, "Ragam Otoritas Islam," *Republika*, January 7, 2011; Burhani, "Plural Islam and Contestation of Religious Authority in Indonesia," 140–163.

[10] Abu Yasid, *Aspek-Aspek Penelitian Hukum: Hukum Islam–Hukum Barat* (Yogyakarta: Pustaka Pelajar, 2010); Christine Hine, *Virtual Ethnography* (London: SAGE Publications, 2000).

The primary unit of analysis is the legal reasoning and construction of religious authority embodied in the cryptocurrency decisions of the two LBM PWNU institutions. The study distinguishes between the formal legal conclusion and the argumentative process through which the conclusion was produced. Particular attention is given to how each institution conceptualized cryptocurrency, selected classical and contemporary Islamic legal sources, identified the relevant legal causes (*illah*), employed jurisprudential principles and legal maxims, and translated classical fiqh categories into a contemporary digital-economic context.

Data are collected from three principal categories of sources. *First*, primary documentary materials consist of the official decisions, resolutions, minutes, summaries, legal arguments, quotations from authoritative fiqh texts (*ta'bīr*), and other documents related to the Bahtsul Masail deliberations on cryptocurrency in East Java and Yogyakarta. When available, recordings, official statements, institutional publications, and explanatory materials produced by individuals directly involved in the deliberations are also examined. These materials are used to reconstruct both the substance and the structure of the legal reasoning adopted by each institution.

Second, the study draws on semi-structured interviews with purposively selected participants who possess direct knowledge of the formulation of the two rulings. Relevant participants may include LBM leaders, members of the drafting or formulation teams, musahhih, participating ulama, and other actors involved in the Bahtsul Masail process. Interviews focus on the participants' understanding of cryptocurrency, the selection and interpretation of Islamic legal sources, the deliberative process, disagreements arising during the discussion, institutional considerations, and perceptions of the authority of regional and national Bahtsul Masail decisions. Additional participants may be identified through snowball sampling where necessary to clarify specific stages of the decision-making process. The number and dates of interviews should be reported according to the actual fieldwork conducted.

Research Results and Analysis

A. The NU Bahtsul Masail Institution amidst the Determination of Contestation and Fragmentation

Bahts al-masail refers to the discussion of religious legal issues. It is a traditional practice within the *pesantren* (Islamic boarding school) community, involving *kyai* (religious scholars) and *santri* (students) aimed at resolving Islamic legal questions that arise in society. Within the pesantren environment, the *bahts al-masail* process entails formulating a question, defining the core issue, locating relevant references (*ibarah*) in authoritative jurisprudence (*fiqh*) texts taught at the school, discussing the matter collectively, and finally issuing a legal ruling on the issue at hand. This ruling is then published as a fatwa, representing the product of *ijtihad jama'iy* (collective legal reasoning).[11]

[11] Syafiq Hasyim, "New Contestation in Interpreting Religious Texts: Fatwa, Tafsir, and Shariah," in *The New Santri: Challenges to Traditional Religious Authority in Indonesia*, ed. Norshahril Saat and Ahmad Najib Burhani (Sin-

Later, when the santri community established the Nahdlatul Ulama (*jam'iyyah*) organization, the *bahts al-masail* tradition was institutionalized and became integral to the organization. Its significance lies in the fact that whenever scholars gathered, such as during congresses or *muktamar* (national conferences), they would address societal issues by seeking collective answers. Regarding the history of *bahtsul masail.* When Nahdlatul Ulama was founded and held its first *muktamar* in 1926, bahtsul masail activities were already present; indeed, the practice was synonymous with the conference itself. It could be said that, at that time, the substance of the *muktamar* was the bahtsul masail process itself. Subsequently, based on recommendations from the 28th National Congress (Yogyakarta, November 25–28, 1989) and the Denanyar, Jombang *halaqah* (January 26–28, 1990), the PBNU (Executive Board of Nahdlatul Ulama) issued Decree Number 30/A.I.05/5/1990 establishing the "Lajnah Bahtsul Masail Diniyah. This permanent body gathers NU and intellectuals to address religious issues through *istinbat jama'iy* (collective legal derivation).[12]

Within Nahdlatul Ulama, the Bahtsul Masail Institute is one of the many institutes committees (*lajnah*), and autonomous bodies of the *jam'iyyah* (association). This institute addresses legal issues arising within society. In other words, the LBM serves as the *fatwa* (religious ruling) body within the NU organization, analogous to the Majelis Tarjih within the Muhammadiyah civil society organization. According to the NU Statutes and Bylaws (AD/ART) adopted at the 33rd National Congress, the LBMNU is mandated to deliberate on thematic (*maudhuiyyah*) and contemporary (*waqi'iyyah*) issues; in practice, its scope has expanded to include matters of a statutory or legislative nature (*qanuniyyah*). The LBMNU operates under the guidance and direction of the *syuriyah* (supreme Council) leadership. This legal-derivation body comprises *kiai* (Islamic scholars) and intellectuals who are competent in their fields and have a strong reputation for deliberating on legal issues. They may hail from *pesantren* (Islamic boarding schools), the NU organizational structure itself, or be accomplished NU intellectuals from religious higher education institutions.[13]

The key points of the LBM PWNU East Java ruling on cryptocurrency, as released on November 2, 2021, are as follows: *firtst*: cryptocurrency does not meet the Sharia standards for commodity. Therefore, trading in cryptocurrency is deemed *mamnu'* (impermissible/prohibited). *Second*, the use of cryptocurrency as currency in Indonesia clearly conflicts with Law Number 7 of 2011 concerning Currency, in addition to violating Sharia provisions regarding commodities. Third, consequently, the following recommendations are made: 1) Muslims—particularly members of Nahdlatul Ulama should exercise caution in their economic dealings and always strive for what is permissible); 2) The government should not enact regulations that violate religious norms. Should a regulation be issued that subsequently has a negative impact, the government should not hesitate to revise or even revoke it; 3) The PWNU East Java delegation to this year's NU National Congress Muktamar in Lampung, together with all PCNU branches across East Java, should consistently propose the find-

gapore: ISEAS–Yusof Ishak Institute, 2020), 48–63; Nadirsyah Hosen, "Online Fatwa in Indonesia: From Fatwa Shopping to Googling a Kiai," in *Expressing Islam: Religious Life and Politics in Indonesia*, ed. Greg Fealy and Sally White (Singapore: ISEAS Publishing, 2008), 159–173, https://doi.org/10.1355/9789812308528-013.

[12] Muhammad Idris, "Mengenal Tradisi Bahtsul Masail di Lingkungan NU," *Alif.ID*, March 2, 2019, https://alif.id/read/muhammad-idris/mengenal-tradisi-bahtsul-masail-di-lingkungan-nu-b215724p/.

[13] Idris, "Mengenal Tradisi Bahtsul Masail"; Saat and Burhani, eds., *The New Santri.*

ings of this religious deliberation to the 34th NU Congress so that it may become the organization's final decision.[14]

The points of the ruling issued by LBM PWNU DI Yogyakarta regarding cryptocurrency, following a session held on Sunday, November 21, 2021, at PPM Al-Hadi Yogyakarta, *first:* economics falls within the dynamic realm of Islamic law. Advancements in digital technology have changed mediums of exchange, forms of commodities, and transaction patterns. Islamic law does not mandate a specific type of medium of exchange; rather, the type used follows the customs of a community. Cryptocurrency is a product of the digital technology transformation and is seeing increasingly extensive use. Whether serving as a medium of exchange or a commodity, cryptocurrency is permissible under Islamic law. It meets the necessary criteria for both a medium of exchange and a commodity, including: possessing utility being capable of delivery, and having its nature and type known to both parties. This excludes cryptocurrency variants that fail to meet these specific conditions. Second, based on explanations from blockchain practitioners and experts, the elements of danger and risk associated with uncertainty (*gharar*) and gambling (*qimar*) are not found in cryptocurrency practices. Price fluctuations follow market forces, which is permissible under Islamic law. Blockchain technology and cryptography provide a high level of security, effectively preventing fraud and manipulation. Cryptocurrency has a proven track record of long-term operation and remains viable today. *Third*, given the increasingly widespread global growth of cryptocurrency, it is the duty of the Government of the Republic of Indonesia to establish regulations governing cryptocurrency as both a medium of exchange (*al-tsaman*) and a commodity within Indonesia.[15]

B. Cryptocurrency and the Fragmentation of Religious Authority

This study examines contemporary Islamic economic law. The specific legal object in question is cryptocurrency, an internet-based product of cutting-edge information and communication technology. As a novel product, cryptocurrency remains unfamiliar to many; beyond lacking a physical form, its operational mechanism differs from that of conventional currency. It functions as both a medium of exchange and a commodity. People can acquire it in at least three ways: mining, trading, and accepting it in exchange for goods and services. It operates on a peer-to-peer system, meaning no state agency or financial institution controls it or serves as a central hub for its circulation. Unlike conventional money, which is centralized within a nation's financial institutions, cryptocurrency is decentralized. Consequently, its value fluctuates entirely based on market forces, a mechanism viewed as fair, free, accessible, and rapid, operating without the intervention of state financial institutions and unconstrained by national borders. Conversely, this reliance on market mechanisms makes cryptocurrency a prime target for major speculators looking to manipulate value fluctuations. As a result, perspectives on cryptocurrency vary widely, often characterizing it as a "double-edged sword." It is therefore unsurprising that fatwa rulings differ across various institutions and individuals.[16]

The methods driving the fragmentation of Islamic legal authority in the case under study can be identified as falling into at least two categories: the official issuance of legal rulings by the LBM PWNU, and the exchange of arguments and ideas through

[14] Anam, "Keputusan PWNU Jatim tentang Cryptocurrency dan Bursa Kripto."
[15] Tejomukti, "Beda dengan MUI dan NU Jatim, NU Yogyakarta Bolehkan Kripto."
[16] Frankenfield, "Cryptocurrency."

articles published in online mass media and on social medi, particularly Facebook. Both the East Java and Special Region of Yogyakarta branches of the LBM PWNU issued Islamic legal views through formal, official channels. These issuances were accompanied by debates, involving the exchange of supporting arguments, penned by individuals affiliated with these respective LBM PWNU bodies. Furthermore, the polarization between these two perspectives was clearly evident on social media, where followers of each respective viewpoint actively participated in the discourse.[17]

The ongoing fragmentation of authority among Islamic religious leaders, particularly in Indonesia, faces growing challenges with the rise of internet-based digital media. Conflicting religious rulings, especially when issued by two different bodies within the same organization, inevitably confuse the organization's members. Such discrepancies also influence the leanings of individual members involved in cryptocurrency trading; indeed, they may use these rulings to legitimize their existing cryptocurrency activities. Those who favor cryptocurrency trading will look to rulings that permit it, while those who oppose it will cite rulings that prohibit it. Ultimately, to a certain extent, if religious rulings within a single organization are fragmented, the situation is effectively the same as having no ruling at all.[18]

D. Intra-organizational contestation of Islamic legal authority in Nahdlatul Ulama

The findings of this study indicate that the divergent *fatwas* on cryptocurrency issued by the LBM PWNU of East Java and the LBM PWNU of the Special Region of Yogyakarta reflect intra-organizational fragmentation of Islamic legal authority, rather than merely fragmentation between different religious groups. These findings broaden understanding of religious authority, showing that it cannot be treated as a fixed attribute automatically inherent to an institution; instead, it must be understood as a relationship of legitimacy that the religious community continuously produces, negotiates, and acknowledges.[19] Campbell demonstrated that the digital environment can alter the roles, structures, ideologies, and texts that underpin religious authority.[20] The case of these two LBM bodies reveals a more specific dimension: institutions sharing organizational affiliation, jurisprudential traditions, *Bahtsul Masail* methodology, and relatively similar institutional capital can still generate a polycentric form of legal authority. This divergence does not signal the collapse of the NU legal tradition; rather, it demonstrates that Islamic legal authority allows for epistemic differentiation when scholars identify, verify, and apply the legal '*illat* (effective cause) to contemporary subjects. Such fragmentation thus stems from the interplay between the plurality of human interpretations, the historical nature of *ikhtilaf* (scholarly disagreement) in Islamic law, and the epistemic instability of novel subjects like cryptocurrency. These findings challenge the tendency in previous studies to frame fragmentation primarily as a consequence of competition between traditional authorities and new religious ac-

[17] Hosen, "Online Fatwa in Indonesia," 159–173; Jinan, "New Media dan Pergeseran Otoritas Keagamaan Islam di Indonesia," 181–208; Bunt, *Hashtag Islam*.

[18] Hosen, "Online Fatwa in Indonesia," 159–173; Azhar Ibrahim, "'Being Authoritative But No Authority?' Muslim Religious Intellectuals in Shaping Indonesian Islam Discourse," in *The New Santri: Challenges to Traditional Religious Authority in Indonesia*, ed. Norshahril Saat and Ahmad Najib Burhani (Singapore: ISEAS–Yusof Ishak Institute, 2020), 28–47.

[19] Alatas, *What Is Religious Authority?*; Weber, *On Charisma and Institution Building*; Ibrahim, "'Being Authoritative But No Authority?'" 28–47.

[20] Heidi A. Campbell, *When Religion Meets New Media* (New York: Routledge, 2010).

tors in the digital sphere. In this study, fragmentation can emerge from within the same center of scholarly tradition; it is therefore better understood as an internal differentiation of Islamic legal authority, rather than merely a weakening of religious authority.

Further research findings indicate that digital media transforms legal differences into public contests over authority. The perspective of digital religion explains that religion in the digital era does not operate within a simple dichotomy of "online" and "offline" spaces; rather, religious practices, identities, communities, and forms of authority move simultaneously between the two.[21] While *fatwas* emerging from *Bahtsul Masail* forums are products of offline institutional structures, digital media shifts these products into a networked religious public sphere, enabling the public to read, compare, interpret, support, or question legal rulings from various regions concurrently. This shift means that the legitimacy of a *fatwa* is no longer determined solely by the issuer's epistemic capacity and institutional standing. Digital visibility, content distribution patterns, user responses, and the capacity for narratives to circulate also shape public perceptions of authority. This does not mean digital media replaces *ulama* (religious scholars) or *fatwa* institutions as sources of authority; instead, it adds a new layer to authority recognition, where scholarly legitimacy must interact with communicative legitimacy in the digital space. Differences between the *Bahtsul Masail* bodies (LBM) of the East Java and Special Region of Yogyakarta branches of Nahdlatul Ulama (PWNU) evolved from mere variations in *ijtihad* (legal reasoning) outcomes into representations of regional identity and authority once they entered digital media circulation. These findings show that digital religion operates through hybridization: traditional authority persists, but digital networks reconfigure how it is accepted, circulated, and contested. [22]

The most significant finding of this study is the operation of the mediatization of religion, a condition in which religious communication increasingly adapts to the logic and character of media. Hjarvard explains that mediatization occurs when media not only convey religion but also shape religious representation, language, and practice through their own internal logic.[23] Research data illustrates this process through four interconnected transformations: desacralization, deterritorialization, decorporealization, and banalization. Desacralization emerges when legal truth claims enter the digital public sphere and become objects of comparison, commentary, criticism, and negotiation among users. Deterritorialization occurs when *fatwas* issued by institutions in specific regions transcend geographical boundaries of reception, competing with rulings from other regions within the same digital space. Decorporealization arises when the relationship between religious scholars and the public no longer requires physical presence in deliberative forums; consequently, the public often receives legal outcomes without witnessing the argumentation processes, scholarly hierarchies, and deliberative dynamics that shaped them. Banalization ensues when the complexity of *fiqh* (Islamic jurisprudence) arguments is reduced to brief, categorical, easily consumable, and shareable snippets of information—often framed as dichotomies like "*halal*" or "*haram*." In this context, banalization should not be understood as the loss of reli-

[21] Heidi A. Campbell, ed., *Digital Religion: Understanding Religious Practice in New Media Worlds* (New York: Routledge, 2013); Hine, *Virtual Ethnography*.

[22] Bunt, *Hashtag Islam*; Eickelman and Anderson, eds., *New Media in the Muslim World*.

[23] Stig Hjarvard, "The Mediatization of Religion: A Theory of the Media as Agents of Religious Change," *Northern Lights* 6, no. 1 (2008): 9–26, https://doi.org/10.1386/nl.6.1.9_1.

gion's sacred value, but as an epistemic simplification resulting from translating legal arguments into digital communication formats. These four processes demonstrate that digital media is not a neutral external variable; the media logic of speed, visibility, shareability, and simplification shapes the perception of legal differences as a contestation of authority.[24]

Taken together, these findings suggest that the fragmentation of Islamic legal authority in the digital era is not caused by technology alone; rather, it arises from the intersection of the epistemic plurality of Islamic law and the logic of digital mediation. Digital media does not create *ikhtilaf*, as Islamic legal tradition has long recognized a plurality of interpretations throughout its history. Digital media accelerates, expands, and heightens the visibility of *ikhtilaf* (scholarly disagreement), allowing epistemological differences to become contests over identity and authority in the public sphere.[25] These findings challenge deterministic theses that view digitalization as automatically eroding traditional authority. The case of LBM shows that traditional institutions retain robust scholarly capital and organizational legitimacy; however, they must operate in a communication environment where any given legal ruling can be easily compared with others. The core issue is not how to eliminate divergent *fatwas*, but rather how to establish mechanisms for epistemological consolidation without sacrificing legal plurality. Such consolidation can be achieved by strengthening inter-regional collaboration across the stages of *takhrij al-manat*, *tahqiq al-manat, tanqih al-manat, and tatbiq al-manat*.[26] The complexities of cryptocurrency require *ulama* (Islamic scholars) to integrate *fiqh* (Islamic jurisprudence) with economics, philosophy, technology, and contemporary science, ensuring that legal divergences stem from a shared and accountable understanding of the subject matter. Thus, the study's primary contribution lies in shifting the analytical focus from fragmentation between authorities to fragmentation within authority itself, while demonstrating that the future of Islamic legal authority will be determined by the ability of religious institutions to maintain epistemic rigor while navigating the visibility, plurality, and contestation generated by the digital ecosystem.

Conclusion

This study shows that differing *fatwas* (religious rulings) on cryptocurrency issued by the LBM PWNU bodies of East Java and the Special Region of Yogyakarta reflect a fragmentation of Islamic legal authority within a single, relatively cohesive religious organization. Cryptocurrency is a significant legal subject because its technological, economic, and epistemological characteristics require a more complex process of identification and verification than conventional legal objects. Divergent legal assessments of cryptocurrency indicate that shared institutional affiliation and method-

[24] Fransisco Budi Hardiman, "Tugas Filsafat di Era Komunikasi Digital," professorial inaugural address, Universitas Pelita Harapan, Tangerang, December 8, 2021; Abdullah, "Di Bawah Bayang-Bayang Media," 116–121.

[25] Campbell, *When Religion Meets New Media*; Hjarvard, "The Mediatization of Religion," 9–26; Jinan, "New Media dan Pergeseran Otoritas Keagamaan Islam di Indonesia," 181–208; Bunt, *Hashtag Islam*.

[26] Al-Subkī, *Jamʿ al-Jawāmiʿ fī Uṣūl al-Fiqh*, vol. 2; Yasid, *Aspek-Aspek Penelitian Hukum*.

ological traditions do not invariably yield uniformity in legal decision-making. This fragmentation arises from the interplay between a plurality of interpretations, the historical nature of *ikhtilaf* (scholarly disagreement) in Islamic law, and the complexities of a novel digital object that lacks fully stable conceptual boundaries.

The study further argues that digital media amplifies this fragmentation through the desacralization, deterritorialization, discorporalization, and banalization of religious communication. While digital media does not create legal differences, it heightens the visibility of and competition between *fatwas*, allowing epistemic differentiation to escalate into a contest over public authority. The study's primary contribution shifts the analytical focus from inter-organizational fragmentation to intra-organizational fragmentation in the construction of Islamic legal authority. These findings underscore the necessity for cross-regional scholarly consolidation regarding the processes *of takhrij al-manat, tahqiq al-manat, tanqih al-manat,* and *tatbiq al-manat* (derivation, verification, refinement, and application of the legal rationale) concerning cryptocurrency, integrating *fiqh* (Islamic jurisprudence) with economics, philosophy, technology, and contemporary science. Such consolidation is required not to eliminate legal plurality, but to ensure that divergent *fatwas* remain grounded in an accurate understanding of the subject matter, transparent methodology, and accountable argumentation.

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