



Prospect of Islamic Economic Studies

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ABSTRACT

Various schools in economics such as capitalism, socialism and Islam, each have a history of development from day to day as well as advantages and disadvantages in their application. Islamic economics which is based on the Qur'an and Sunnah is considered by its adherents to be the most perfect system because it is based on divine law and does not only regulate the economy but also has a worship dimension. The development of Islamic economic studies, especially Islamic financial institutions in Indonesia in the last 5 years is very fast. Growth indicators can be seen from the growth of Islamic banking. The purpose of this paper is to find out the Prospects of Islamic Economic Studies. The source of this writing comes from books and other literature adapted. The development of Islamic studies in various elements of educational institutions encourages the development of Islamic economic studies. Which makes opportunities and challenges for the world of Islamic Economics to produce professional people so that they can run a system based on sharia, whether it is to fill educators in the Islamic economic education environment, writers of various Islamic economic literature or to become the driving force of the system of various Islamic financial institutions that are now is eager to spread its wings.

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1. Introduction

"Humans love to accumulate wealth and diverse possessions. If he already has two emtentanas valleys, then he will also want a third golden valley. This is the basic assumption of economics according to Al-Ghazali, which then from this assumption gave birth to many economic activities and economics. So far we are very familiar with various economics such as capitalism, socialism and Islam, each of which has a history of development.

Conventional economics, which dominates modern economic thought, has become a highly developed and sophisticated discipline, through a process of development that spans more than a century. The development never stops, as reflected in the publication of countless journals, books and research reports around the world. Individuals, universities, research organizations and governments are all actively participating in this development.

In maqasid it is emphasized that humans are not individuals who are separated from others, humans are individuals who have families. The human self (mind and soul) is not the only thing that must be nurtured, humans must also maintain and protect their family and/or descendants. When looking after the family, there are other individuals who are his dependents, namely the wife (another person who is part of the individual by law); then when he takes care of his offspring then he considers someone else who will be a partner for his child in continuing his offspring. This position of self with the family (al-nasl) causes humans to become individual figures, as well as social. All the necessities to look after all aspects of life require cooperation: ...blacksmiths make hoe tools for farmers, and carpenters produce tools needed by blacksmiths. The same is true for those involved in the production of the equipment and tools needed to produce foodstuffs. This is then equipped again with the necessity of maintaining the rules/religion (hifz al-din) which causes humans to become religious creatures at the same time.

So there is no doubt that there is a need for an economy with an Islamic perspective. However, for its development, Islamic economics is not only used as a scientific basis but also must be able to be attached to the system which is brought by individuals with various understandings and thoughts about Islamic economics. Economics with an Islamic perspective which is now referred to as Islamic economics, experienced a revival only three or four decades ago, after sinking (in history) several centuries.

In recent years, the term Islamic economics is very popular in Indonesia, although it is relatively slow. This can be seen from the development of Islamic banking institutions in the last 5 years. It is a joy to see that the teaching of Islamic economics has now gained momentum in Indonesia. Where Indonesia is a country with a majority Muslim population and its people are very obedient to Islam. Moreover, Islamic economics will be useful for everyone, not only Muslims. This is due to its great emphasis on the realization of justice and the general welfare which is the dream of every person.

One of the interesting things during the orientation of new postgraduate students at the State Islamic University of Sunan Gunung Djati, Bandung, which was expressed by the Head of the Sharia Economics Study Program was the passion for the development of Islamic financial institutions which had been accepted by the public and received a warm welcome, which is now balanced by an increase in economic studies. Islam in various educational environments, namely by opening Islamic economics study programs and opening sharia-based business branches.

Considering that it is urgent and interesting to be appointed because not a few stakeholders, practitioners or academics who can achieve the development of Islamic economic studies and enjoy the development of Islamic financial institutions, especially banking which are passionate, have actually been achieved by practitioners and communities who are not alumni of Islamic Economics.

In addition, the Islamic Economics Philosophy Lecturer also stated in several class meetings while teaching, that today there is not much literature related to Islamic economics so that it opens up great opportunities for us as Postgraduate Students of Islamic Economics Study Program to become writers. While today there is some Islamic economic literature written by economic thinkers who are not basic in economics, let alone Islamic economics, such as Muhammad Baqir As Sadr, Sayyid Mahmud Taleghani and others.



2. Literature Theory

2.1 Definition of Islamic Economy

M. Abdul Mannan describes Islamic economics as a social science that studies people's economic problems inspired by Islamic values. Islamic economics is not a science that prevents Muslims from studying non-Muslim (conventional) economic problems. On the other hand, with Islamic values laid on the foundations of the economy, it will inspire Muslims in goodness (mashlahah).

Islam is a comprehensive system and covers all aspects of human life. In Islam, economics and social are very closely related because of the close relationship between their material needs and their inner interests, as well as between their physical and spiritual aspects, so that in reviewing an issue from an economic point of view, we cannot separate it from a social point of view. What distinguishes Islamic economics from other socio-economic systems is the nature of motivation that influences the structural pattern, direction, composition, production, distribution and consumption. Thus the main task of Islamic economics is to 'analyze the factors that influence the origin of supply and demand so that it is possible to change them towards a more equitable distribution'.

Islamic economics is not only the pursuit of world profit (profit) but also the pursuit of profit (falah) for the hereafter, not also the application of closed (exclusive) knowledge, but as a series of activities that are integral to other ubudiyah rituals, and greatly support life in general inclusive). Islamic economics is not a conventional economy whose paradigm is based on mere worldliness (weltanschauung), but Islamic economics is oriented towards world behavior and the goal of hereafter.

Schools of Islamic Economy

Adiwarman Karim, an expert on Indonesian Islamic Economics, and the initiator of The International Institute of Islamic Thought (IIIT) Indonesia, wrote that there are 3 schools of Islamic economics, as follows.

a. The Baqir al-Sadr . School

This school was pioneered by Bâqir al-Sadr in his book Iqtishâdunâ, arguing that economic problems arise because of an unequal and unfair distribution as a result of an economic system that allows exploitation of the weak. Economics (economics) can never be in line with Islam. Economy is still economy, and Islam is still Islam. The two can never be united because they both come from contradictory philosophies. Therefore, al-Sadr rejects the statement that economic problems arise because of unlimited human wants, while the available resources to satisfy these human desires are limited. This is very irrelevant because the word of Allah SWT in the QS. al-Qamar (54:49)

إِنَّا كُلَّ شَيْءٍ خَلَقْنَاهُ بِقَدَرٍ

Meaning: "Indeed, We have created everything in the precise measure".

b. Mainstream School

M. Umer Chapra, M. Abdul Mannan, M. Nejatullah Siddiqi, and many of the world's Islamic economic thinkers belong to this group. Various opinions from mainstream schools are not so different from conventional opinions, only the difference is the method of problem solving. In contrast to the determination of the priority scale in conventional economics which depends on the individual with or without a religious approach, but by "devoting the lusts and materials", while this school argues in Islamic economics, choice decisions cannot be made arbitrarily. Human behavior in every aspect of life, including the economy, must refer to the teachings of Allah through the Qur'an and Sunnah.

This school also agrees with the emergence of economic problems due to limited resources faced with unlimited human wants. However, these limited resources only occur in various places and times, as the word of God in the letter al-Baqarah (2:155)

الصَّابِرِينَ وَتَبَشِّرْهُمُ بِأَمْوَالِهِمْ وَأَنْفُسِهِمْ وَأَمْوَالِهِمْ وَمَنْ يَنْقُصِ الْجُوعَ وَالْخَوْفَ مِنْ شَيْءٍ وَلَنْبَلُونَكُمْ

Meaning: "And indeed We will test you with a little fear, hunger, lack of wealth, lives and fruits. And give glad tidings to those who are patient."

In addition to limitations is a test from Allah SWT, also human nature that desires unlimited is considered a natural trait. It is mentioned in the Qur'an at-Takatsur (102:1-5)

أَهْلِكُمْ التَّكَاتُرُ ① حَتَّى زُرْتُمُ الْمَقَابِرَ ② كَلَّا سَوْفَ
 تَعْلَمُونَ ③ ثُمَّ كَلَّا سَوْفَ تَعْلَمُونَ ④ كَلَّا لَوْ تَعْلَمُونَ عِلْمَ
 الْيَقِينِ ⑤ لَتَرَوُنَّ الْجَحِيمَ ⑥ ثُمَّ لَتَرَوُنَّهَا عَيْنَ الْيَقِينِ ⑦
 ثُمَّ لَتَسْأَلُنَّ يَوْمَئِذٍ عَنِ النَّعِيمِ ⑧

Meaning: "Boasting has neglected you. Until you enter the grave. Do not do so, you will come to know (the consequences of your deeds)".

c. Alternative-Critical School

It was spearheaded by Timur Kuran (Chairman of the Department of Economics at the University of Southern



California). Kuran criticized the two schools above. This school is of the opinion that what needs to be criticized is not only capitalism and socialism, but also Islamic economics itself.

From all the literature and the development of the Islamic economy in the world, it seems that the Mainstream School is more flexible and dominant in acting because as written by Muhammad Muslehuddin that the essence of Islamic economics is behavior and an economic system that is established and enforced based on sharia, and (possibly) accept other economic elements as long as they do not conflict with them.

2.2 General Principles of Islamic Economics

The principles of Islamic economics are the basic principles that build the structure or framework of Islamic economics extracted from the Qur'an and/or the Sunnah. This economic principle serves as a basic guideline for every individual in economic behavior, so that humans achieve *falâh*. The general principles of Islamic economics can be seen in the design of Islamic economics based on 5 (five) universal values, namely *at-tauhîd* (security), *al-'adl* (justice), *an-nubuwwah* (prophecy), *al-khilâfah* (government), and *al-ma'ad* (results). Then the five universal values are built on three derivative principles that are the characteristics and forerunners of the Islamic economic system, namely multiple ownership, freedom to act, and social justice. The five universal values and the three derivative principles are all under the umbrella of the concept of morality, in accordance with the perfection of the Prophet's *da'wah*. In fact, M. Anas Zarga believes that moral filters can create efficiency and justice.

3. Research Methods

This research is a qualitative research, namely research that is descriptive in nature and tends to use analysis. The process and meaning are emphasized in this research, while the theoretical basis is used as a guide so that the research focus is in accordance with the facts on the ground. This research is a qualitative research that uses data collection methods through literature studies, namely library research is used to study reading sources that can provide information that has to do with the problem being studied. The stages carried out in a literature study research include methods of collecting library data relating to the topic under study, reading and recording findings relating to the topic under study, and managing research materials, namely analyzing the findings in reading sources regarding the topic being studied. being researched.

4. Results and Discussion

There is a lot of historical evidence that convinces that Islamic Economics as a discipline is not because it has become an alternative economy in the last decade to an unpopular socialist economy and a capitalist economy that is full of injustice.

Many records prove that Islamic economics has had a long history long before conventional (classical) economics was recorded. Ali Zaid bin Ali (80-120 H/699-738 AD) had the idea of selling a commodity on credit at a price higher than the cash price. Abu Hanifah initiated the validity and legal validity of buying and selling contracts with what is known as *bay' as-salam* and *al-murabâhah*. Abdurrahman al-Awza'i was the initiator of the permissibility of borrowing capital in cash or similar. Abu Yusuf Ya'qub Ibrahim (112-182 H/731-798 AD) was famous for his attention to public finance and his attention to the role of the state, public works and agricultural development. He was the first founder of the taxation foundations which were codified in the *Kitab al-Kharâj* and later "plagiarized" by economists as a canon of taxation. Abu 'Ubayd al-Qasim bin Sallam (157-224 H/774-738 AD) is the author of the book *al-Amwal* which outlines the economic problems related to property and capital.

From the data mentioned above, and many other data, Islamic economic figures are far ahead of Adam Smith, the Scottish man who was asked to be the Father of Classic Economics with his book *An Inquiry into the Nature and Causes of the Wealth of Nations*, or commonly abbreviated *Wealth of Nations* who lived in the XVIII century (1723-1790 AD) or ten centuries later when measured from Ali Zaid who lived in the VIII century (80-120 H/699-738 AD). In fact, the contents of the book *Wealth of Nations* are almost similar to *al-Amwal* by Abu 'Ubayd, only Smith does not include the arguments of the Qur'an and Hadith. In fact, some things such as about invisible hands (unseen market power), Smith gave an example to the Islamic Arab economy.

From these data, Islamic economics cannot be denied as a long-standing study. However, becoming an Islamic economic movement in a modern (global) context has only been around since a quarter of a century ago, namely after World War II ended, many young Muslim students studied economics in the West and gained broad economic insight, then tried to revive the principles, values, and values, morals and Islamic economic law to be applied. Then many students from Italy, Spain, and the South of France who study at the center of Islamic lectures to study mathematics, philosophy, medicine, cosmography, and economics. After returning home, they became professors in Western universities. The teaching pattern used is exactly like Islamic lectures, including the curriculum and teaching methodology. The Universities of Naples, Padua, Salerno, Toulouse, Salamanca, Oxford, Montpellier and Paris are some of the universities that imitated Islamic learning centers.

Islamic studies are currently developing in almost all countries in the world, both in the Islamic world and non-Islamic countries. In Indonesia, Islamic studies (Higher Islamic Education) are conducted at 14 State Islamic Institutes (IAIN) and 39 State Islamic Colleges (STAIN). There are also a number of private universities that specifically organize Islamic higher education, and universities that organize higher Islamic education as part of their studies, such as the Faculty of Religion at the Muhammadiyah University of Jakarta and the Bandung Islamic University (UNISBA). This can encourage the development of Islamic economic studies.

An encouraging development within the national education system is the widespread opening of Islamic economics majors or study programs in Islamic-based State Universities such as the Islamic Finance Study Program (KUI) UIN Yogyakarta, Islamic Economics UIN Jakarta; and several private universities specializing in Islamic economics, such as the SEM Institute, Tazkia Institute, SEBI (Shari'ah Economics and Banking Institute), IMZ (Zakat Management Institute) in Jakarta, and STIS (Islamic Business School) in Yogyakarta.

The development of Islamic economics studies has also been responded by PTU (General College) by opening studies that examine Islamic economics such as the IIIT Program on Islamic Economics which has been held at the University of Indonesia Jakarta, Gadjah Mada University Yogyakarta, Airlangga University Surabaya, Brawijaya University Malang, and Diponegoro University, Semarang. In fact, the University of Indonesia has opened an Economics Postgraduate Program with a



concentration in Sharia Economics. Then, in the general community, MES (Shari'ah Economic Community) and Fossei (Islamic Economic Studies Forum) have been formed, which are mostly followed by lecturers and students.

In addition to the prevalence of Islamic economic studies in universities, which are strengthened by various seminars and workshops on Islamic economics, politically, there are legislations that strongly support the development of the Islamic economic system, especially those related to Islamic financial institutions.

First, Law no. 10 of 1998 concerning Amendments to Act Number 7 of 1988 concerning Banking, and Law of the Republic of Indonesia Number 23 of 1999 concerning Bank Indonesia. The legislation can be said to be a milestone in the legality of the progress and establishment of various financial institutions based on sharia-compliant products.

Second, PINBUK (Small Business Incubation Center) an NGO formed by ICMI (Indonesian Muslim Intellectuals Association), MUI (Indonesian Ulema Council), and BMI (Bank Muamalat Indonesia), as an LPSM (Institution for Non-Governmental Development) which received recognition from Bank Indonesia. as a supporter of PHBK-BI (Bank Relations Project with Non-Governmental Organizations managed by Bank Indonesia) in the Charter of Cooperation between the Director of Bank Indonesia and the Chairman of PINBUK dated September 27, 1996, No. 003/MOU-PHBK-PINBUK/VIII/1995. This has implications for the rapid development of the establishment of non-bank financial institutions based on the sharia system at the grassroots level, namely KSM-BMT (Community Self-Help Cooperative-Baitul Mal Wa Tamwil).

Thus, there is no doubt that the development of Islamic Economic Studies opens prospects for Muslims in the economic field to be able to enter the system. Therefore, this can be an opportunity as well as a challenge for the world of Islamic economics in order to produce professionals in meeting all the needs in the process of developing this Islamic economy. Whether it's for teaching staff of Islamic economics, writers of Islamic economics literature and filling the system of Islamic financial institutions.

5. Conclusions

Science is the study, explanation, and analysis of something. Islamic economics is not a science that prevents Muslims from studying non-Muslim (conventional) economic problems. On the other hand, with Islamic values laid on the foundations of the economy, it will inspire Muslims in goodness (mashlahah). The development of Islamic studies in various elements of educational institutions encourages the development of Islamic economic studies. The development of Islamic economics in various study and financial institutions if it is not balanced with performance professionalism, future developments will not be pleasant. Which makes opportunities and challenges for the world of Islamic Economics to produce professional people so that they can run a system based on sharia, whether it is to fill educators in the Islamic economic education environment, writers of various Islamic economic literature or to become the driving force of the system of various Islamic financial institutions that are now is eager to spread its wings.

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