

ISLAMIC ECONOMIC DEVELOPMENT AND ISLAMIC ECONOMIC DESIGN**Sumar'in**

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sumarinasmawi@gmail.com**Abstract**

Islamic economics began to develop since the classical economic period in 738 AD - 1932 AD which was marked by the emergence of ideas such as Abu Yusuf with the book *Al-Kharaj* (Manual on Land Tax) and Abu Ubaid al-Qosim with the book *'Al-Amwal* (The wealth). Then in 1058 AD-1466 AD, this economic development continued, colored by the thoughts of Ibn Khaldun as contained in the book *Muqadimah*. The rebirth of Islamic economics began with the awareness of Muslim scientists who assessed the need to restore Islamic teachings in everyday life. This awareness was an answer to the thoughts of contemporary Muslim scientists regarding economic problems which were deemed unable to be completely solved by the economic theory developing at that time. 70s. The research method used here is library research or literacy studies. Library research is a method of research where all activities are related to reading, recording and collecting library data and managing research materials. Meanwhile, literacy studies are a method of research which involves summarizing writings from books, journals and other documents, then describing the information and theories obtained, and organizing these libraries into discussion subchapters related to required topic. In this research, the type of data used by the author is data obtained from literature studies. The data that has been obtained is then analyzed using descriptive analysis methods. Islamic economics is likened to a house, building or structure that requires basic values, principles and concepts in the form of design before the economic system is built. By knowing an Islamic economic design, it is hoped that you can get a complete and comprehensive picture briefly about the Islamic economy which is like a building and consists of a roof, pillars and foundation. There are basic principles in Islamic economic design. These principles can generally be divided into three parts, namely: universal values, derivative principles and morals. The main principles held by Islamic economics are the principle of monotheism, the principle of justice and moral principles which are manifestations of the principle of nubuawah. These basic principles make Islamic economics superior to other economic systems, for example social or liberal economics.

Keywords: Development, Islamic Economics, Design

PENDAHULUAN

Islamic economics began to develop since the classical economic period in 738 AD - 1932 AD which was marked by the emergence of thoughts such as Abu Yusuf with the book *Al-Kharaj* (Manual on Land Tax) and Abu Ubaid al-Qosim with the book *'Al-Amwal* (The Wealth). Then in 1058 AD-1466 AD, the development of this economy continued which was coloured by the thoughts of Ibn Khaldun contained in the book *Muqadimah*. The development of Islamic economics continued until 1446 AD-1932 AD. At that time, the style of Islamic economics was dominated by the thought of Syah Waliullah with the book *Hujatullah al-Balighah*. After those times, the development of Islamic economics entered the contemporary era which began in 1930 until now. In this era, the development of Islamic economics occurs in the realm of more comprehensive analyses related to social economic issues, monetary economics, banking, as well as the theory and practice of the Islamic economic system. (Budiantoro, R. A, 2018)

The rebirth of Islamic economics began with the awareness of Muslim scientists who considered the need to restore Islamic teachings in everyday life. This awareness is an answer to the thoughts of contemporary Muslim scientists regarding economic problems that are considered unable to be fully solved by the economic theory that developed at that time (Furqani, 2019). Islamic economics comes with the concept of equitable distribution that emphasises the implementation of justice values. This is the main foundation for the importance of Islamic economic development. The presence of Islamic economics is also considered to be an alternative economic system to the capitalist and socialist economic systems that have developed rapidly to date. Islamic economics, as. (Sutopo, & Musbikhin, 2019)

The development of Islamic economics in Indonesia has received a positive response from various parties. Muslim scholars in Indonesia, through the Indonesian Muslim Scholars Association (ICMI) formulated the establishment of Bank Muamalat Indonesia (BMI) as the first Islamic bank in 1992. This became the early history of the birth and development of Islamic economics in Indonesia. In the early days of the establishment of Islamic banks, BMI was able to survive the 1997 crisis that hit all joints of the Indonesian economy. This achievement is a positive value for the Islamic economy to be able to develop even greater in Indonesia. The government also responded positively to the development of the Islamic economy, after seeing the achievements made by BMI in the middle. Various supports are provided by the government through the issuance of legal products that support and regulate the practice of Islamic economic activities.

The Islamic economic system in its development experienced ups and downs, both the Islamic economic system in Indonesia and in various countries. Especially when

Islam experienced glory, the development of the Islamic economic system also accompanied it. While the development of the Islamic economic system itself in Indonesia began in the 70s. When the concept of Islamic economics is better known as the concept of ribawi economy and business. Where developments that occur are still limited to developments in the banking or financial sector. However, lately Islamic economic thought has developed quite rapidly in a comprehensive scope.

Islamic economics is needed before studying the theories in Islamic economics. It is needed in order to understand the description of the foundations in Islamic economics. These foundations are guided by the main principles in Islam, because the value of tawhid is the key to one's faith. Every economic activity carried out by humans in the Islamic economy must be guided by the principles that exist in Islamic teachings. Therefore, actions that are not in accordance with Islamic law must be prohibited, because they can cause harm to humans. While the actions in accordance with Islamic law are allowed, because many cause benefits to mankind. By knowing an Islamic economic design is expected to get a full and comprehensive picture with a brief about the Islamic economy that is like a building and consists of a roof, pillars and foundation.

RESEARCH METHODS

The research method used here is library research or literacy study. Library research is one of the methods in research whose entire activity is related to reading, recording and collecting library data and processing research materials. Meanwhile, literacy study is also a method in research whose activities summarise writings from books, journals, and other documents, then describe the information and theories obtained, and organise the libraries into subchapters related to the topic needed. In this research, the type of data used by the author is data obtained from literature studies. The data that has been obtained is then analysed using descriptive analysis methods.

The source of research data is obtained from journal publications or articles or referred to as secondary data sources. Then the data that has been collected is analysed using content analysis and descriptive analysis. This content analysis is one of the analyses that describes a very in-depth discussion of the information that has been obtained from a literature. While this descriptive analysis is useful for describing, describing and revealing an issue or problem accompanied by analysis in order to obtain the desired results. This descriptive research aims to make a description, painting or description systematically, accurately and factually related to the facts, characteristics and also the relationship between the events being investigated.

DISCUSSION

ISLAMIC ECONOMICS

There are many definitions of Islamic economics among activists. According to Muhammad Abdul Manan, Islamic economics is a social science that studies economic problems in social life inspired by Islamic values. Islamic economics is closely related to the production, distribution, and consumption of goods and services that follow Islamic sharia standards in a kaffah manner. (Menita, H. A, 2017) Monzer Kahf in his book *The Islamic Economy* says that economics is a subset of religion. The term Islamic economics is an inseparable part of the Islamic paradigm whose guidelines refer to the Qur'an and Hadith. Islamic economics according to Kahf is part of the science of economics that is multidisciplinary, meaning that it cannot stand alone, it requires a good and deep mastery of the sciences of sharia and other supporting sciences, as well as sciences that serve as analytical tools, such as mathematics, statistics, logic, and ushul fiqh. (Amalia, M. N, 2016) The foundation and foundation of Islamic economics is the Qur'an and Hadith. In Islamic epistemology, there are three sources of knowledge, namely the revelation of God (al-wahy), the logic of human reason (al'aql), and from observation (observation) of human life experience (al- anfus) or observation of natural phenomena (al-afaq).

In Arabic the term Islamic economics is also called al-iqtishad al-islami. Economy or al-iqtishad is a knowledge of the rules relating to producing a wealth, consume and distribute it. Islamic economics is the science that regulates human economic behaviour whose behaviour is regulated in accordance with the rules of Islam and based on tawhid as summarised in the pillars of Islam and the pillars of faith. (Azharsyah Ibrahim, 2021) Islamic economics is essentially a branch of science that seeks to analyse, view and end by solving economic problems using Islamic methods. (Ivan Rahmad Santoso, 2016) The meaning of Islamic ways is the ways based on the teachings of Islam, namely the Qur'an and As-sunnah. Islamic economics discusses individual behaviours that are guided by Islamic teachings, starting from determining life goals, how to analyse and view economic problems and also the principles and values that must be grasped in order to achieve goals.

The Development of Islamic Economics in Indonesia

The concept of Islamic economics is a fair economic concept. In a literature described that 'Islamic Economics is a systematic study of the economic problems of man and its solutions in the light of the Qur'an and the Sunnah' (Tahir, S, 2017) In short, Islamic economics is a system that studies human economic problems, whose solutions come from the Qur'an and Hadith. So, the development of Islamic economics must be

followed by a practical form of economic activity that aims for the happiness of the world and the hereafter. To achieve this happiness, Muslims have the Qur'an and as-Sunnah (Hadith) as a guide to life. Basically, the Qur'an and Hadith are sources that are used as a principle in various forms of Islamic economic practice. (Akbar, M. A. 2019)

One of the forms as well as characteristics of the Islamic economy with Indonesian nuances is cooperatives. In addition, other forms of Islamic economics can be seen in the existence of Sharia financial institutions, such as Sharia Banking, Sharia Pawnshops, Sharia Insurance, Sharia Capital Markets, Sharia Leasing, Sharia People's Financing Banks, Baitul Mal wat Tamwil, Sharia Cooperatives. In addition, there are also Islamic public financial institutions such as the Zakat Management Agency and the Waqf Management Agency as well as various other forms of Islamic business. Furthermore, according to the Chairman of the DPP of the Indonesian Islamic Economists Association (IAEI), Agustianto has the view that the significant development of Islamic banking and finance illustrates that Islamic Economics already has a form of practice in the financial sector.

The development of the Islamic economy cannot be separated from the development of Islamic economic institutions that work together, such as Islamic financial institutions, philanthropic institutions, government agencies, movement organisations, and educational institutions. OJK data until 2019 shows that there are 189 Islamic banks in Indonesia consisting of 14 Islamic Commercial Banks, 20 Islamic Business Units, and 164 Islamic People's Financing Banks. In order to support the development of the Islamic economic and financial ecosystem, the government specifically established the National Committee for Islamic Economics and Finance (KNEKS), as an institution that focuses on developing Islamic economics and finance to support national economic resilience.

Islamic economics has high potential to be developed in Indonesia. This is because Indonesia is the largest Muslim country in the world with a Muslim population of approximately 220 million. However, the Minister of National Development Planning/Bappenas stated that the development of Islamic economics in Indonesia tends to run in place. This is due to the fact that Indonesian people act more as consumers than producers. This consumptive pattern of community behaviour is a challenge in developing and spreading Islamic Economics in Indonesia. This development must involve many sectors, so that it can have a direct and significant impact on the growth of the Islamic economy in the real sector (Fauzia, 2019).

Islamic Economic Design

Islamic economics can be likened to a house, building or building that is composed of a roof, pillar and foundation. A house, building or building before it is built certainly requires a guideline such as architecture, design or design. By understanding the design of the Islamic economy is expected to be able to get a full and comprehensive picture with a brief on the Islamic economy composed of the roof, pillars and foundation. In essence, in erecting a building can be started by building a foundation as a strong ground floor (foundation). Then on the ground floor is established poles as a buffer, and at the top of the roof built. From a building can be interpreted with an economic building that has an abstract nature. The interpretation is building materials or materials. The building material in Islamic economics is the teachings of Islam which is the main source of the Qur'an and hadith and traditions of thought that have been developed by scholars. (M. Dawam Rahardo, 2013)

There are basic principles in the design of Islamic economics. Some of these principles can generally be divided into three parts, namely: universal values, derivative principles and morals. Each of these parts will form a building and become a principle in Islamic economics.

1) Universal values

These universal values are the theory in Islamic economics and become the foundation or foundation in Islamic economics. According to Adiwarman Karim, Islamic economics is built on five universal values of Islam including: ilahiyah (divinity), al-adl (justice), an-nubuwah (prophethood), al-khalifah (government), and al-ma'ad (profit or result). These universal values can be used as aspirations to create Islamic economic theories.

2) Derivative principles

Derivative principles is a pillar in the building of Islamic economics which contains the principles of the Islamic economic system. This principle consists of three principles including: multiple ownership (multiple ownership), freedom of endeavour or action (freedom to act) , and social justice (social justice).

3) The concept of morality

In addition to the values and principles mentioned above, the design of the Islamic economy also requires a roof that becomes a large umbrella for the continuity of the Islamic economic system and overshadows all the values and principles. According to Adiwarman, the concept is called the concept of Islamic economic morals. It is this morality that gets the highest position, because the purpose of Islam and the purpose of the da'wah of the prophets is to perfect the morals of its people so that it can be held as a guide in carrying out various economic and business activities.

The Islamic economic system can only be ensured that no economic transactions

occur that are contrary to Islamic rules. an economy in new Muslims can be said to be advanced if the mindset and behaviour patterns of Muslims are diligent (itqan) and professional (ihsan). Because morals in economic actors is a benchmark and indicator in determining the good or bad of man. While good or bad morals and behaviour of business entrepreneurs determine the success or failure of entrepreneurs in running their business.

Key Principles of Islamic Economic Design and Implementation

The main principles held by Islamic economics in carrying out various economic activities are the principle of tawhid, the principle of justice and the moral principle which is a manifestation of the principle of prophethood. These three principles are the difference between Islamic economics and other economies. Islamic economics has the divine principle, the principle of al-adl and the moral principle that is not owned by other economies. In Islamic economics, the moral principle itself includes several principles including: the principle of divinity, the principle of morals, the principle of humanity and the principle of the middle.

Divine Principle , Islamic economics has advantages with other economies because of its main source which comes directly from the rules of Allah SWT. Islamic economics was born from Islam which then binds to all human activities without exception. (Zulkifli Rusby, 1967) Various economic activities that point of departure from Allah swt should aim only to seek the pleasure of Allah swt, dengan using ways that do not conflict with the shari'at Allah. Both in production, consumption and distribution activities are all associated with divine principles that aim for the divine. So that if a Muslim works with the intention to worship Allah SWT. If the goodness of his deeds increases, then the sense of taqarrub and taqwanya will also increase.

The principle of morals, can not be separated between economics and morals is another thing that is the difference in Islamic economics and other economic systems. In Islamic life, morals become the veins and flesh that are in it. Morals are one of the treatises of Allah to the Prophet Muhammad, as in his words 'Verily, I was not sent but only to perfect morals'. The unity between economics and morals will be clearly seen in every economic step both in the process of production, consumption and distribution.

Humanitarian Principles, in addition to divine economics and moral economics Islamic economics also includes humanitarian economics. The purpose of Islamic economics is to enable humans to fulfil their needs in the Shari'atkan life. The pattern of human life that is Rabbani and also humane is needed so that humans can carry out their obligations to family, friends and other humans. Likewise, with the permission of Allah swt humans have been entrusted to be caliphs on this earth including as economic actors as well. In Islamic economics, human values have been collected in a number of

values that Islam has shown in the Qur'an and hadith. These human values such as compassion for all human beings, especially the weak such as orphans, poor and destitute, ibnu sabil, widows, terminally ill people, and everyone who can not work to earn income, either with his property or with his own efforts.

The principle of moderation or balance, one more principle that develops in Islamic economics is the economy of moderation or balance. The spirit of Islamic economics is a just middle. Like a human being who runs life with his spirit, in addition to the form of a body that has a material nature. Islamic economics is a middle or balance economy because it adheres to a fair economic system and does not deny the rights of individuals or the rights of society as in the word of Allah SWT: 'Likewise, we have made you a people in the middle' (Al-Baqarah; 143).

This special characteristic of the middle economy is seen with Islam upholding a fair balance between individual and community rights. Islamic economics does not oppress people, especially the weak, as the capitalist system does to its people. Neither does it oppress the rights and freedoms of individuals as communism does to its society, let alone maxism. Rather, it is a middle-of-the-road economy that does not waste, oppress or harm. Islamic economics unites personal interests and also the benefit of society so that a balance is formed. While in Islamic economics the proof of this middle nature is the middle position given by the state to intervene in the economic field.

Indeed, in Sharia economics the main principles must be strictly adhered to in carrying out all economic activities in accordance with Sharia provisions, such as in Sharia financial institutions. Sharia financial institutions must avoid activities that contain elements of MAGHRIB, namely: Maisyir, Gharar, Haram, Riba and Bathil. Free from these four elements in Islamic financial institutions is the spirit of the Sharia economy.

CONCLUSIONS

Islamic economic practices have room for development for the better on the one hand, facing a number of challenges on the other. The existence of Islamic economic institutions is a strong indication of the growth and development of an economic system based on sharia. The growth of this economic system is not based on profit, but based on achieving the benefit of the people in its economic practices. The reality of the nation as the largest Muslim country with the support of the dominant ummah, is an important capital in realising economic practices based on Islamic values. Islamic values are the basis of economic practices that prioritise the achievement of the common good. However, the reality that the knowledge of Muslims about Islamic economics is still low and human resource support is not optimal is a challenge for the

development and progress of Islamic economic practices.

Islamic economics is likened to a house, building or building that requires a value, principles and basic concepts in the form of design before the economic system is built. By knowing an Islamic economic design is expected to get a full and comprehensive picture in a nutshell about the Islamic economy which is like a building and consists of a roof, pillars and foundation. There are basic principles in the design of Islamic economics. Some of these principles can generally be divided into three parts, namely: universal values, derivative principles and morals. The main principles held by Islamic economics are the principle of tawhid, the principle of justice and the moral principle which is a manifestation of the principle of prophethood. These basic principles make Islamic economics superior to other economic systems such as social or liberal economics.

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