

REVIEW OF KHURSHID AHMAD'S THOUGHTS ON ISLAMIC ECONOMIC DEVELOPMENT

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Abstract

The purpose of this study is to examine Khurshid Ahmad's Islamic economic thought, the philosophical foundations that were built, and the idea of Islamic economic development. This research is a type of library research, using secondary data, and a philosophical approach by looking at Khurshid Ahmad's idea as an ideal. The findings according to Khurshid, the existence of Islamic economy is different from conventional economy, both in the form of capitalist and socialist. The essence of Islamic economics is the application of sharia in economic activity. Economic philosophy is built and embodied the content of the Qur'an and al-Hadith. Islamic economic philosophy is based on the concept of a triangle: namely the philosophy of God, man and nature. Economic development is a multidimensional activity so that all efforts must be left to the balance of various factors and not create inequality. The ultimate goal of Islamic development is the welfare of mankind through the integration of social norms, ethical values, economics and politics. The value of the Study Khurshid's ideas on Islamic economic development have not been widely studied. With this research, Khurshid's idea can be studied that Islamic economics is a unique and distinctive economic concept and system, guided by Islamic teachings. As a system of life, Islamic teachings will not be optimally present as a map of life if they are not supported by economic sub-systems. The ultimate goal of Islamic development is the welfare of the world and the hereafter.

Keywords: *Islamic Economy, Khursid Ahmad, Economic Development*

Abstrak

Tujuan penelitian ini adalah untuk mengkaji pemikiran ekonomi Islam Khurshid Ahmad, landasan filosofis yang dibangun, dan gagasan pengembangan ekonomi Islam. Penelitian ini merupakan jenis penelitian kepustakaan, menggunakan data sekunder, dan pendekatan filosofis dengan melihat gagasan Khurshid Ahmad sebagai suatu cita-cita. Temuannya menurut Khurshid, keberadaan ekonomi Islam berbeda dengan ekonomi konvensional, baik yang berbentuk kapitalis maupun sosialis. Hakikat ekonomi Islam adalah penerapan syariah dalam kegiatan perekonomian. Filsafat ekonomi dibangun dan diwujudkan isi Al-Qur'an dan al-Hadits. Filsafat ekonomi Islam didasarkan pada konsep segitiga yaitu filsafat Tuhan, manusia dan alam. Pembangunan ekonomi merupakan kegiatan multidimensi sehingga segala upaya harus bertumpu pada keseimbangan berbagai faktor dan tidak menimbulkan ketimpangan. Tujuan akhir pembangunan Islam adalah kesejahteraan umat manusia melalui integrasi norma-norma sosial, nilai-nilai etika, ekonomi dan politik. Nilai Kajian Pemikiran Khurshid mengenai pengembangan ekonomi Islam belum banyak diteliti. Dengan penelitian ini dapat dikaji gagasan Khurshid bahwa ekonomi Islam adalah suatu konsep dan sistem perekonomian yang unik dan khas, berpedoman pada ajaran Islam. Sebagai suatu sistem kehidupan, ajaran Islam tidak akan hadir secara maksimal sebagai peta kehidupan jika tidak didukung oleh sub-sistem ekonomi. Tujuan akhir pembangunan Islam adalah kesejahteraan dunia dan akhirat.

Kata kunci : *Ekonomi Islam, Khursid Ahmad, Pembangunan Ekonomi*

INTRODUCTION

The development of Islamic economic thought has been increasingly stretched, especially since the birth of Islamic economic schools such as *Iqtishaduna*, Mainstream, and Alternative-Critical. This development is of course very encouraging because there will be more and more problems, especially in the economic field, that can be solved by Islamic teachings.

One of the figures in the development of the Islamic economy is Khurshid Ahmad. He is considered the father of Islamic economics. Khurshid Ahmad formulated many Islamic economic theories ranging from terminology to Islamic economic development.

Islam positions economic activity as one of the important aspects to get happiness (*falah*) both in this world and the hereafter. The ultimate goal of Islamic economic activity is the goal of Islamic law itself (*maqashid al-syariah*). The economic motive in Islam is worship. Economic activities must be controlled and guided so that they are in line with the teachings of Islam as a whole (*kaffah*). Economic practices, both production, distribution, and consumption are oriented towards the rules of the game set out in the Qur'an and practiced by the Prophet Muhammad, who issued

several policies concerning various matters relating to social issues, such as law (*fiqh*), politics (*siyasah*), marriage (*munakahat*) and including commercial or economic matters (*muamalah*).

As part of religious teachings, economics has become a focus and a long study in various Islamic religious disciplines, so that a special discipline is formed, for example, *Fiqh Muamalah*. The Prophet Muhammad paid attention to economic problems because economic problems were the pillars of faith that had to be considered. The policies of the Prophet Muhammad served as guidelines by his successors in deciding economic matters. The form of economic problems has not varied, so the emerging economic theories have not been varied.

Humans always need basic needs to other additional needs that must be met. The inability of humans to obtain capital to meet economic needs can result in the lack of humans to be able to survive activities and produce various changes.

Since ancient times, economic problems have been carried out as a daily human activity. Although not yet at a complex economic level, simple things such as bartering, farming, developing the economy at sea have been done by ancient people. Of course, this is still being carried out until now with technology that is already complex.

Islam was born amid the Ummah, to ascertain whether the fulfillment of these needs is appropriate and can run well. Islamic economics is not about to corner or corner just one. Economic problems are inseparable from other teachings.

Islamic economy is part of the sector of human life which is also regulated by Allah. In general, the Islamic economic arrangement in the Qur'an is based on basic, not technical principles. While the technical problems, of course, Muslims must develop it better with the capacity of their knowledge, along with the development of the road.

LITERATURE REVIEW

1. Islamic Economic Terminology

Islamic economics is an economic system that explains all phenomena of choice behavior and decision making in every unit of activity or economic activity based on Islamic moral and ethical rules. In addition, Islamic economics is a systematic attempt to understand economic problems and people's behavior from an Islamic perspective.

Islamic economy is an economy whose activities are always based on the *al-Qur'an*, *al-Sunnah*, *ijma'*, and *mashlahat*. With a different understanding, Islamic Economics is an approach to interpreting and solving economic problems based on values, norms, laws, and institutions derived from *al-Qur'an* and *al-Sunnah* (Haneef, 2005).

The ultimate goal of Islamic economics is to achieve happiness in the world and the hereafter (*falah*) through a good and respectful life system. *Falah* in economic life can be achieved by applying the principle of justice in economic life on the one hand. On the other hand, it aims to achieve *maslahat* in life which consists of five things, namely religion (*diin*), soul (*nafs*), intellectual (*'aql*), descent (*nasl*), and material (*maal*). These five *maslahats* are a means to achieve *halalan thayyiban*. *Mashlahat* can only be achieved if human life is in balance (equilibrium) which is part of the *sunatullah*. The balance in question is in the material-spiritual, individual-social, and welfare dimensions of life in the world and the here after (Aravik & Zamzam, 2020).

2. The Purpose of Islamic Economics

The goal of Islamic economics is not to unduly restrain individual freedom, create a macroeconomic and ecological balance, or weaken the family and social solidarity, and the moral bonds that exist in society. The goal is also to fulfill all human needs, not just one person but all human beings on earth to achieve social welfare (Haneef, 2005).

Human beings are encouraged to always be honest with each other and take care of each other so that justice can be created in mankind. The position of Islam in the economy, namely to meet the basic needs of members of society and society, should not be excessive or wasteful, both individuals and society because it is prohibited by Islam. Islam also provides social security which is based on two basic economic doctrines based on Islamic law, namely reciprocal obligations between communities and human rights to resources which include assets controlled by the state.

The state has a function in applying the principle of reciprocal obligation by regulating its citizens to comply with laws that have been regulated by Islam to create welfare for mankind. Islamic economics also has objectives that lead to individual and collective systems to achieve overall goals. These goals include:

First, ensuring the needs of mankind. Islamic economics aims so that humans can meet their daily needs. Allah himself guarantees that he will continue to provide sustenance and an abundance of favors to humans with the assumption that humans must obey and continue to make efforts and ask Allah. The foundation of Islamic economics is monotheism or obedience to Allah. People who obey and believe in Allah will base their economic activities on ethics, balance, universality, and justice in their steps. The implementation of Islamic economics is a guarantee that human needs will always be fulfilled.

Second, stay away from social inequality. Social inequality will occur if the concentration of assets as well as resources is only on a certain subject or group. Islam has the principle of being able to spread and also provide this sustenance not only to one person or group with the rules of *zakat*, *infaq*, and *shadaqah*. *Zakat* regulation is not just a matter of clearing property or simply doing good deeds but also can move the economy of the ummah to those who are unable or powerless due to lack of economic resources. Obligations of *zakat*, *infaq*, and *shadaqah* to avoid social inequality.

Third, fulfill an ethical and dignified economy. Islamic economics also aims to avoid fulfilling an unethical and dignified economy. Islamic economy is also based on moral values and *aqidah* so that the implementation of human needs is not carried out carelessly and can be guaranteed to be of quality according to human needs. Islam forbids buying and selling of *halal* goods, buying and selling that does not have openness, honesty, etc. Islamic economy exists so that people can provide honesty, *halal* goods, quality goods, quality of production, distribution, and consumption with a frame of morals and *aqidah*.

Fourth, regulate justice and balance. Justice and balance are the basic principles of Islam. Islam regulates that humans do not carry out closed or non-transparent economic transactions. Islam always gives orders for witnesses, financial records, and also applies agreed standards or balance sheets in terms of economic transactions.

Fifth, avoid usury (*riba*). *Riba* is an addition given, one of which is the debt from the borrower. *Riba* itself can ensnare humans and it will be suffocating to pay for it. Even for some people who cannot afford it, usury is like endless choking. Most poor people borrow money to fulfill their daily needs, of course, it will feel suffocated if

people give us *riba* to her many times over. Allah provides threats and sanctions to hell if humans do (Bhat, 2016).

3. Characteristics of Islamic Economics

As part of the sector of human life which is also regulated by Allah, the Islamic economy has its characteristics. The characteristics of Islamic economics that distinguish it from conventional economics can be described as follows:

First, Islamic economics originates from God and the religion of Allah and binds all Muslims without exception. It has the advantage of being an economic system guaranteed by religious laws embodied in halal and haram rules and overall economic activity has a line of rules stipulated by shari'ah and every Muslim who practices in the economy is part of the implementation of worship.

Second, the Islamic economy is intermediate and balanced. Islamic economics combines personal interests and the benefit of society in a balanced form. Islamic economics is in the middle position between the individualist (capitalist) flow, socialism, and the welfare state. Islamic economics includes the needs of the world and *ukhrawi*, outer and inner, as well as individuals and society. The instrument used for equalization and balance is that there is a portion of individual property that must be issued; such as *zakat infaq*, and *shadaqah*.

Third, the Islamic economy is an economy that is sufficient and just. Islamic economics makes humans the focus of attention. Humans are positioned as God's representatives on earth for prosperity. This is different from a capitalist economy where the focus of attention is wealth. Islam has obliged the state to provide guarantees to all members of society in the form of guarantees of basic needs for all citizens. The justice that can be exemplified is by rejecting the usury or interest system; because the creditors who lend the funds do not want to lose, which is important to get the interest yield.

Fourth, Islamic economics is committed to morals (morals or ethics). Islamic economics does not only run with laws as principles but also promotes morals or ethics. Such as not reducing the scale, being trustworthy, prioritizing honesty, not having the courage to take assets that are not their rights or corruption, and so on. This,

apart from maintaining purity of heart, also the bonds of social solidarity and business ties can feel safe and nurtured.

Fifth, Islamic economics is universal. This can be understood because the rules of shari'ah are standard and will last until the end of time. This behavior is because it contains values, which uphold morality (*fitrah*), justice, and balance as well as worship as the practice of godly consciousness; So that the universal nature of Islamic economics can cross countries and all ages (Aravik & Zamzam, 2020).

RESEARCH METHODS

This type of research is library research. Library research is research that is formalized by examining library materials or secondary data. This research includes literature research because the data used is mostly secondary data in the form of documents. The approach used in this research is philosophical. The philosophical approach is to study the object under study and then formulate an ideal idea in the future. This study uses a philosophical approach because it is researched by Khurshid Ahmad's economic thinking at an ideal level. The data source used in this research is secondary data. Secondary data is data that has been obtained indirectly or has been provided by other parties. Secondary data is used as the main reference which is readily available in the form of writing in books, scientific journals, and other written sources. Data collection techniques are carried out through conventional and online searches. Literature conventionally is the activity of finding library sources for data storage. Meanwhile, online writing is an activity to find library sources in cyberspace through the internet network. Library research is conventionally carried out by looking for library materials, purchasing books, journals and attending scientific activities (seminars). Meanwhile, online searching is done by searching the internet. The data analysis method used was qualitative. Qualitative data analysis is the process of organizing and sorting data into patterns, categories, and basic description units so that themes can be found presented in narrative form. This study uses qualitative data analysis because the data will be presented in a narrative-descriptive manner, not in numerical or numerical form.

DISCUSSION

1. Islamic Economic Thought Khurshid Ahmad

a. Biography of Khurshid Ahmad

Khurshid Ahmad is a prominent Muslim figure with academic experience not only related to Islamic economics but also active in the Islamic political movement (Salleh, 2013). In the field of economics, he is known as the father of Islamic economics. Born 15 Dzulqa'dah 1350 H / 23 March 1932 AD in Delhi, India from a religious family and uphold the principles of Islamic teachings. His father Nazir Ahmad Qureshi was the second son of Maulvi Barkat Ali who was a prominent advocate during the British colonial period (Bhat, 2016).

After completing his Islamic education at home, Khurshid entered the Anglo-Arab High School in Delhi where he performed well with good grades and ranks (Bhat, 2016). In 1947, Khurshid and his family moved to Pakistan and settled in Lahore, Punjab Province. In 1949, Khurshid enrolled at Government College University (GCU) majoring in trade and economics. Khurshid had a high interest in capitalism and Islam and joined and became a Jamaat-e-Islami activist. In 1952 Khurshid graduated from GCU and obtained his BA in economics and trade with honors. In 1958, he obtained his LLB in faculty of law, majoring in Islamic Law and Jurisprudence. In 1964 he obtained an MA from Karachi University in Islamic Studies.

In 1965, Khurshid went to Great Britain and enrolled at the University of Leicester for his doctoral studies, and was awarded a doctorate in economics. In the 1970s, the University of Leicester awarded Khurshid with an honorary doctorate in Education. Khurshid also holds an honorary doctorate (Ph.D.) in Education from the University of Malaysia. In July 2003 Loughborough University UK awarded the title Doctor of Letters. Khurshid spent most of his time teaching in various countries. Khurshid has also participated in more than one hundred international conferences and seminars.

Khurshid was one of the students and students of Maulana Abul 'Ala Maududi and always believed and believed in the actions of Muhammad Iqbal (1877-1938) and Maulana Muhammad' Ali Jinnah (1877-1931) for the awakening and sovereignty of Islam. Thanks to his enormous contribution to the Islamic world, in 1990 Khurshid

received an award from King Faisal Saudi Arabia and the first Islamic Development Bank in the field of Islamic economics in 1988, and the *La-Riba* Award in 1998 from the American Finance House. Khurshid is one of the pioneers of Islamic economics and the father of Islamic economics.

b. Islamic Economic Terminology

According to Khurshid, Islamic economics is a systematic effort to understand economic problems and human behavior related to economic problems from an Islamic perspective. Islamic economics is a combination of two sciences, namely economics and Islam. Like other sciences, Islamic economics has two objects of study, namely formal and material. The formal object of Islamic economics is the entire system of production and distribution of goods and services carried out by business people, both from the aspect of prediction about the resulting profit and loss as well as the legality aspect of a transaction. Meanwhile, the material object is all sciences related to Islamic Economics.

Islamic economics is a unique economic concept and system, has its characteristics, is guided by divine teachings, and is practiced by the world's best man, the Prophet Muhammad. The existence of an Islamic economy is different from conventional economics, both in the form of capitalist and socialist.

The essence of Islamic economics is the application of sharia in economic activities. The central point is from Allah, the goal is to seek the pleasure of Allah. The material in economic practice is not the main goal in Islamic economics but is a necessity for humans and a means to be able to achieve happiness not only in this world but in the hereafter. In the aspect of needs, Islamic economics defines limited needs with unlimited resources. Desire (want) is unlimited, and this is against the noble values of Islamic teachings.

Islamic economics is an evolutionary form of neo-classical economic theory. The failure of the economic system of capitalism and socialism to create social welfare encourages Muslim countries to seek a better system that can play a role in all elements to achieve the happiness of the people (Budiantoro, Sasmita, Widiastuti, (2018). Islamic economics emerged at a time when the world economy was slow in presenting the best

solutions to various contemporary economic problems, even unable to provide satisfactory and happy alternative solutions. In addition, Islamic economics emerged as a demand for a Muslim's belief in the perfection of Islamic teachings. As the will of Islam, it is not only worship oriented towards individual interests, but also social interests.

As a living system, Islam will not be able and optimal to exist as a map of life, if it is not supported by the sub-system under it. Economic, political, cultural, legal, social activities, and so on are very influential on the colors and patterns of Islam as a map of life. Islam is always present and responding to the sub-systems of life for the sake of optimizing Islam as a system of life.

In the aspect of Islamic economic thought discourse which is a very important focal point and studies in Islamic economics. The existence of an Islamic economic system is a consequence of the Islamic worldview (Shulhan, 2012). Khurshid stated that there are four stages of development in the discourse of Islamic economic thought, namely:

First, it began when some scholars, who did not have formal education in the field of economics but had an understanding of the socio-economic problems at that time, tried to solve the interest problem. They argue that bank interest is haram and Muslims should leave any relationship with conventional banking. This period began approximately in the mid-1930s and experienced the peak of its progress in the late 1950s and early 1960s. At that time in Pakistan, a local Islamic bank was established which operated not on an interest basis. Meanwhile in Egypt, a financial institution that operates not in interest, called Mit Ghomir Local Saving, has also been established. This stage is still premature and trial and error, so its impact is still very limited. However, this stage has opened wide doors for further developments.

Second, starting in the late 1960s. Muslim economists who were generally educated and trained in leading universities in the United States and Europe began to try to develop certain aspects of the Islamic monetary system. They conducted an economic analysis of the prohibition of *riba* (interest) and proposed alternative banking which was not interest-based. A series of international conferences and seminars on Islamic economics and finance were held several times, inviting Muslim and non-Muslim

scholars, scholars, economists. The first international conference on Islamic economics was held by King Abdul Aziz University in Makkah al-Mukarromah in 1976, which provided valuable opportunities for scholars working on Islamic economics to share ideas, inventory existing literature, and be aware of the challenges ahead (Shulthoni, 2014). Then followed by an international conference on Islam and the New International Economic Order in London in 1977. After that, various seminars were held on Monetary and Fiscal Economics and Islamic Banking in various countries. In this second stage, the names of well-known Muslim economists throughout the Islamic world appeared, among others, Prof. Dr. Khurshid Ahmad who has been named the father of Islamic economics, Dr. M. Umer Chapra, Dr. M. A. Mannan, Dr. Omar Zubair, Dr. Ahmad An-Najjar, Dr. M. Nejatullah Siddiqi, Dr. Fahim Khan, Dr. Munawar Iqbal, Dr. Muhammad Ariff, Dr. Anas Zarqa, and others. They are Muslim economists who are educated in the West but understand very well that Islam as an integral and comprehensive way of life has its economic system. If implemented properly, it will be able to bring Muslims to an authoritative position in the eyes of the world.

Third, marked by concrete efforts to develop banking and non-usury financial institutions both in the private sector and in the government sector. This stage is a concrete synergy between the intellectual and material efforts of economists, experts, bankers, businessmen, and Muslim journalists who are concerned about the development of the Islamic economy. At this stage, Islamic banks and non-usury-based investment institutions have begun to be established with a clearer concept and a more established understanding of the economy. The first Islamic bank was established as the Islamic Development Bank (IDB) in 1975 in Jeddah, Saudi Arabia. In subsequent developments, Imam Muhammad ibn Sa'ud Islamic University opened an independent Islamic Economics department at the Faculty of Sharia in the academic year 1979/1980. Furthermore, this university opened the Faculty of Islamic Economics.

Fourth, it is marked by the development of a more integrative and sophisticated approach to developing the overall theory and practice of Islamic economics, especially financial institutions and banking which are indicators of the ummah's economy. The existence of various shocks in the conventional economic system, namely capitalism, and socialism, is both a challenge and an opportunity for the implementation of Islamic

economics. In terms of theory and concept, the most important thing is to build a comprehensive and unified framework of economics, both from the micro and macroeconomic aspects. Various standard scientific methods are widely applied here. From a practical point of view, the point that needs to be emphasized is how the performance of existing economic institutions (for example, interest-free banks) can run well by showing all their advantages. In addition, continuous efforts are needed to apply Islamic economic theory. This is what concerns a lot of Muslim economists today. Islamic economy develops with Islam itself. Scientific development undergoes a different process.

2. The Philosophical Basis of Islamic Economics

Economic philosophy is the basis of a built economic system. Based on the existing economic philosophy, the objectives to be achieved can be derived, for example, the objectives of consumption, production, distribution, economic development, monetary policy, fiscal policy, and so on. Economic philosophy is the basic orientation of economics which differs from one religion to another, or streams from other schools, due to different frames of reference. Islamic Economic Philosophy is an embodiment of the contents of the al-Qur'an and al-Hadith which emerged as an effort to realign the capitalist hegemony that has penetrated the human mind to create a homo economicus human. Islamic economic philosophy is based on the concept of the triangle: namely the philosophy of God, man, and nature. The key to Islamic economic philosophy lies in humans with God, nature, and other humans.

According to Khurshid Ahmad the philosophical foundations of Islamic Economics are as follows (Ahmad, 1980):

a. Tawhid

Tawhid means the unification of God as the creator of the universe and everything in it. Whereas the way of ratification is by carrying out worship that is only aimed at Allah alone, there is nothing worthy of worship besides Allah and there is no owner of the heavens, the earth, and everything in it, apart from Allah and Allah who is the creator of the universe and everything in it. This monotheism establishes laws

regarding the rules of the relationship between humans and God, and humans and other humans (*habl-min Allah was habl min al-nas*) (Tahir, 1995).

Tawhid is the core of Islamic teachings that were revealed to the Prophet Muhammad. The main mission of the prophets and apostles in preaching their teachings to mankind (Afrizal, 2018). *Tawhid* is a key concept that encapsulates the Islamic way of life and presents the essence of Islamic civilization. *Tawhid* is the most obligatory right of Allah for humans to fulfill because humans were created only to monotheism Allah. The relationship between humans and God, or vice versa, gives an understanding that the universe and everything in it was not created by chance and without careful planning, and was not created in vain, but has a purpose. Allah is the only creator with various wisdom implied behind it. So that wisdom is what makes humans valuable and meaningful in the natural world. Humans are required to worship and obey one god by being endowed with the power of endeavor, thinking, and so on. *Tawhid* does not only acknowledge the truth but also includes active remarks to him (Afrizal, 2018).

Humans according to their nature are creatures who are monotheistic; acknowledge the oneness of God and serve Him. This service is not a coincidence, but that is what humans were created for with correct monotheism, economic actors make the basis of monotheism in their every activity (Arroisi, 2019). Economic actors carry out economic activities by always remembering that essential responsibility is the responsibility of the hereafter. With this solid foundation, it is hoped that every economic actor can understand and implement Islamic values in the economy correctly, then believe that the Islamic economy is an inseparable part and becomes an integral part of Islam itself (Sulistyowati, 2017). In other words, various economic activities both production, consumption, exchange, and distribution are tied to Divine principles and divine purposes. Therefore, a Muslim feels when working or trading that with that mandate he worships Allah. The more the goodness of his charity increases, the more his *taqwa* and *taqarrub* to Allah (Masrizal, 2019).

b. Rububiyah

Rabb is the one who created, owns, and controls this universe. *Rabb* is only one, namely Allah (Firdaus, 2015). The concept of *rububiyah* means that Allah. is the Lord

of all the heavens and the earth, the creator of whom and everything in them, He is also the owner of all orders and affairs in the universe, there is no partner for Him and in His work, no one can refuse His decree. He is the only creator of everything, the giver of rizki for all living things, the organizer of all matters and orders (Ibrahim, 2014).

This awareness of the existence of God has given birth to tauhid rububiyah, namely the belief that He is the only creator of all creatures and the giver of rizki to all of His creation, the owner, organizer of the universe, Who regulates the exchange of night and day. As *Rabb al-alam* (preserver of the universe) and only to him the obligation to worship (Arroisi, 2019). Allah is the One who gives benefit and harm to His creatures. No one can reject and hinder His will (Ulum, 2013). *Rububiyyah* is also included in the divine arrangement for enrichment, continuity of life and leads all beings to their perfection. The nature of the rububiyyah also contains the intention of Allah's guidance towards happiness (*Sa'adah*) in the world and the hereafter (Surah Al-An'am [6]: 164).

Every Muslim is obliged to put his trust in and give up all activities in life in the world only for Allah alone because everything has been prepared by Allah. There is no need for a creature to achieve its purpose in life that is not provided by Allah because He is the Educator and Sustainer of all nature. Thus, humans can face the future with full optimism (Firdaus, 2015), including in economic development and natural resource management so that they can be in line with a development model based on Islam (Al-Mizan, 2016). So the management of natural resources must be good, as part of a task that has been assigned by Allah to humans as Abdullah and his Caliph (Salleh, 2013). So that all needs are guaranteed and always balanced and continuous (Tahir, 1995).

c. *Khilafah*

The *Khilafah* is a person's awareness of the mandate and responsibilities that Allah imposes on as a substitute for His messenger on earth to prosper the earth and is responsible to Allah regarding the management of the resources entrusted to him and regulating the life of the world according to Allah's guidance (Tahir, 1995). Allah gave this earth the aim of being prosperous by humans and made humans dominate the earth and its contents. Realizing prosperity and prosperity in life and life which includes

building, managing, and caring for the earth as an effort to support the smooth duty of worship to Allah.

The value of the caliphate creates the maximum *mashlahah* and prevents damage on the earth, including efforts to prosper the earth of Allah with the concept of Islam. So that all human treatment to prosper the earth must be fully subject to the will of Allah. Ownership, the use of natural resources must be within reasonable limits, do not cause damage, and exceed boundaries (Syamsuri, 2016).

As a consequence of the value of the caliphate, humans are responsible in the form of behavior between humans and their rabbits, humans and humans and their natural surroundings. Its main function is to maintain orderly interactions (*muamalah*) between groups, including in the economic field so that chaos and commotion can be eliminated or reduced through a commitment to call for good and prevent evil actions. Every human being on earth will be responsible for all actions that are done in the world and will be counted on the day of retribution (Salleh, 2013).

d. Tazkiyah

Tazkiyah means cleansing, purification, or purification. The verb *tazkiyah* is used twelve times. The subject is Allah, and the object is human. Most of these verses suggest that it is God's grace and guidance that purifies and blesses mankind. *Tazkiyah* means cleanliness and treatment that has methods and techniques, is of the nature of the Shari'a, and its impression of behavior and efforts to seek the pleasure of Allah (Masrical, 2019). According to Khurshid Ahmad, the mission of all the prophets of Allah is to perform human *tazkiyah* in all its relationships with God, with humans, with the natural environment, and with society and the state (Salleh, 2013).

Prophet Muhammad Saw. sent on this earth is none other than to purify the ummah. At least the purification that he has done since his appointment as his apostle is to clean *aqidah* rather than shirk, purify morals from immoral acts that have become a tradition of the jahiliyyah and purify property from subhat and gharar matters to lawful and good (*tayyib*). Through the concept of *tazkiyah*, humans can develop themselves which can eventually awaken all dimensions of their lives, including the economic dimension. Furthermore, the implication or impact of this *tazkiyah* concept is *falah*,

namely welfare and prosperity both in the world and in the hereafter (Masrizal, 2019). For this reason, the future of Islamic economics in Khurshid Ahmad's perspective depends on a process between economic theory and practice towards a new model with innovations based on Islamic values, one of which is *tazkiyah* (Ahmad, 2011).

3. Islamic Economic Development

Economic development in Islam is a balance and continuity between material and non-material aspects resulting from Islamic morals. The goal is not material welfare in the world, but also the welfare of the hereafter Masrizal, 2019). In general, economic development in Islam is a process of reducing poverty and creating peace, comfort, and moral order in life with the concept of not only paying attention to material aspects but also aspects of morality and spirituality (Mulyana, 2017). Whereas in the epistemology of development in an Islamic perspective, namely increasing human awareness of their responsibilities towards various natures and problems following a legitimate order of virtue, and sincere, wise, courageous, simple, and fair deeds (Syamsuri, 2016).

Economic development is a multidimensional activity so that all efforts must be left to the balance of various factors and not cause inequality. The main approach in the development of Islamic lies in making the best possible use of the resources that Allah has given to mankind and their environment. The natural source that Allah created is an asset and an intermediary for the prosperity of Allah's earth as a form of gratitude and a manifestation of the responsibility and devotion of a servant who is Allah (Syamsuri, 2016). In addition, the use of these resources through distribution, increase equitably based on the principles of justice and truth. Islam advocates for an attitude of gratitude and being fair, very much for the attitude of *kufur* and *zhalim* (Masrizal, 2019).

Khurshid Ahmad describes the important points of the concept of Islamic development as follows (Ahmad, 2013): *First*, economic development in Islam is comprehensive and contains spiritual, moral, and material elements. Development is an activity that is oriented towards goals and values. Material aspects. moral, economic, social, spiritual, and physical cannot be separated. The happiness that one wants to attain is not only happiness and material well-being in the world, but also in the hereafter. *Second*, the main focus of development is people with their cultural

environment. Because people beings are an important essential component for the success of development and its long-term sustainability. When development is included in the business using human ideas and plans, their innovation becomes a determining factor for the success of the company development (Abunaila & Kadhim, 2022). This is different from the modern economic development concept which emphasizes that the development operation area is the physical environment only. Islam expands the range of objects of development. *Third*, economic development is a multi-dimensional activity so that all efforts must be left to the balance of various factors and not cause inequality. *Fourth*, economic development involves several changes, both qualitative and quantitative, and a balance between one another.

The concept of economic development in Islam above aims to, among others: *First*, to achieve the main objectives in the development of a good Islam in character education which includes moral, spiritual, and material aspects. Development becomes a goal and an activity that is full of value orientation, which aims to optimize human welfare in all fields and make justice in carrying out activities, especially in the economy. *Second*, humans are the main focus in economic development and the heart of the process in development activities. *Third*, justice and togetherness must be the first foundation in carrying out any economic activity that is carried out. *Fourth*, economic development can involve various kinds of changes. This is confirmed by quantitative and qualitative data and has become a balance among the community. *Fifth*, the development of Islam in economic terms is carried out by utilizing the resources that Allah has given to humans in a good way and while maintaining the surrounding natural environment (Shaleh, 2013). All of that is for how to create an economy that contributes highly to solving several macroeconomic problems, such as poverty, reaction, and income inequality (Alkasasbeh, Alzghoul, & Alhanatleh, 2022). The ultimate goal of Islamic development is the welfare of mankind through the interaction of the integration of social norms, ethical values, economics, and politics. This goal is in stark contrast to the neoclassical economic theory where humans are forced to fulfill self-interest and greed, while the approach in Islamic economics is based on the philosophy of cooperation with shared responsibility and common goals (Hasan, 2010).

CONCLUSION

Based on the above discussion, it can be concluded that Islamic economics is a unique and unique economic concept and system, guided by Islamic teachings. The existence of an Islamic economy is different from conventional economics, both in the form of capitalist and socialist. The essence of Islamic economics is the application of sharia in economic activities. As a living system, Islamic teachings will not be optimally present as a map of life if they are not supported by the sub-system underneath. Islam is present in the sub-systems of life. Economic philosophy is the basis of a built economic system. Islamic Economic Philosophy is an embodiment of the contents of the al-Qur'an and al-Hadith which emerged as an effort to realign the capitalist hegemony that has penetrated the human mind to create a homo economicus human. Islamic economic philosophy is based on the concept of the triangle: namely the philosophy of God, man, and nature. The key to Islamic economic philosophy lies in man with God and nature. The philosophical foundation of Islamic economics is monotheism as the core of Islamic teachings, rububiyah which means Allah as the ruler of the heavens and the earth and the giver of rizki, the caliph as one's awareness of the mandate and responsibilities imposed, and *tazkiyah* as the cleansing of despicable qualities. Islamic economic development is a balance between material and non-material aspects resulting from Islamic morals. Islamic economic development is a process to reduce poverty and create peace, comfort, and moral order that not only pays attention to material aspects but also aspects of morality and spirituality. Economic development is a multidimensional activity so that all efforts must be left to the balance of various factors and not cause inequality. The main approach in Islamic according to development lies in the use of the resources that Allah has given to mankind and their environment. The ultimate goal of Islamic development is the welfare of mankind through the interaction of the integration of social norms, ethical values, economics, and politics.

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