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## Islamic Economic Redefinition and its Methodology among Contemporary Thinkers

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### ABSTRACT

*The Islamic economic crisis from an epistemological perspective has been going on in recent years, based on many Islamic economic figures' writings. Monzer Kahf argues about Islamic economics's definition that there is no agreement among Muslim economists about the definition of Islamic economics, its scope, its relation to conventional economics, analytical methods and instruments, and even some of its basic assumptions. They view that the Islamic economy epistemologically still needs to be studied, while this Study, which has been going on for 40 years, seems to be running in place. In this Study, researchers used a library research method. This aims to reveal the redefinition of Islamic economics from contemporary economists, the methodological crisis that has hit Islamic economics, and the urgency of developing Islamic economics methodology among contemporary thinkers. The essence of the urgency of developing methodologies and approaches in Islamic economics is tawhid. The central or core concept that permeates all aspects of the epistemology of Islamic economics is tawhid. Tawhid is the essence of Islam; tawhid is considered the unity of knowledge and can be broken down into sources, methods and scientific knowledge. Knowledge comes from Allah's revelations to His Prophet, and reasoning, perception, and empiricism. Because of al-Attas, God's first type of knowledge is through direct revelation. The second is through the speculation of rational investigations based on his experience of the plausible and understandable.*

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## 1. INTRODUCTION

Islamic economic etymology is defined as a study of human behavior about the utilization of scarce production sources for production and consumption; thus, the economic work is human behavior related to production, distribution, and consumption (Rozalinda, 2014).(Rozalinda, 2014)(Rozalinda, 2014)(Rozalinda, 2014)(Rozalinda, 2014)(Rozalinda, 2014)

Muhammad Abdul Manan argues Islamic Economics is a social science with studies of the economic problems of a people imbued with Islami's values, a social science that studies society's economic problems inspired by Islamic values. He said that the Islamic economy was a part of a complete life system, based on four substantial parts of knowledge: the Quran, as-Sunnah, Ijma, and Qiyas (Haneef & Furqani, 2013).(Haneef & Furqani, 2013)(Haneef & Furqani, 2013)(Haneef & Furqani, 2013)(Haneef & Furqani, 2013)(Haneef & Furqani, 2013)

In this regard, M. M. Metwally Islamic definition economy as a science that studies the behavior of Muslims in a society following the Qur'an, as-Sunnah, Ijma, and Qiyas. He explained that in Islamic teachings, individuals and communities' behavior is controlled towards how to meet the needs and use existing resources.

Thus the Islamic economy is the Study of how individuals or communities choose and use the resources that exist, present or have been abandoned by past generations, according to the down or Shara' (Qur'an, hadith, or law below it), which is used to meet physical and spiritual needs without exploitation to realize Falah (Welfare) for individuals and communities.

Volker Nienhaus says the Islamic Economy began as a fundamental challenge and critique of conventional economics. Most first-generation Islamic economists' ambition is to replace mainstream economies with new paradigms based on or at least consistent with a comprehensive Islamic worldview. It is questionable whether this goal has been achieved. The growing volume of literature labeled 'Islamic economics' follows the same quantitative approach. It differs from the mainstream only in this case, related to Muslim countries' phenomenon, especially with sharia-compliant banking and financial aspects. The Study of economic problems from an Islamic perspective is rooted in conventional economics. It does not have the systemic or holistic dimensions indispensable for establishing a new paradigm for Islamic economics. As an autonomous discipline, Islamic economics requires a systemic orientation and is conceptually closely related to Islamic theology and law. However, the necessary intellectual interaction between economists and Sharia scholars is still lacking. While Islamic economists have advanced with a financial system model based on financial capital participation and broad risk-sharing, many Islamic legal scholars are more concerned with replicating conventional instruments for return transactions to remain risk-free or with Sharia. Their efforts have moved Islamic finance closer to the conventional intellectual interactions required between economists and Sharia scholars still lacking. At the same time, Islamic economists have advanced with a financial system model based on participatory financial capital and broad risk-sharing. Many Islamic legal scholars are more concerned with replicating conventional instruments for risk-free fixed return transactions or with Sharia. (Volker Nienhaus, 2013, pp: 175-208 )

The Islamic economic crisis in terms of epistemology has been ongoing in recent years, based on several Islamic economic figures' writings. They consider that the Islamic economy epistemology still needs to be done. Simultaneously, the Study that has been going on for 40 years seems to be running on the spot. Therefore it is necessary to redefine Islamic economy and its methodology among contemporary thinkers. Epistemology is a study of the theory of knowledge, the source of knowledge, the application of knowledge and the limits of knowledge. Therefore, this paper aims to explore previous Muslim thinkers' contribution to Islam's economic resources and identify Islamic economics's epistemology as suggested by Muslim thinkers (Ismail, 2014) From this description, this research aims to uncover How to Analyze the comparison of Islamic economic definitions from various experts and the need for a redefinition?; how is the Crisis methodology that plagues Islamic economics?, How is the urgency of developing methodologies and approaches in Islamic economics?.

## 2. RESEARCH METHOD

This method seeks to describe the object or subject as it intends to describe the object's facts and characteristics under Study appropriately. This research requires careful action on each research component to describe the subject or object under Study closer to the truth. The author analyzes the existing theories and synchronizes the practices carried out by contemporary economic actors in a descriptive manner.

### 3. RESULTS AND DISCUSSION

#### 3.1. Analysis of Islamic economic definitions from various experts and the need for the redefinition

##### 3.1.1. Monzer Kahf

Monzer Kahf believes that The term Islamic economics may be justified as an identification of a field of Study based on the assumption of the existence of Islamic axioms in the social, political and legal environment, a system of values and ethics, which guides the economic behavior of men and women in an Islamic society. This way of looking at 'Islamic economics' resembles how 'capitalist economics' is treated as an economic analysis based on the capitalist paradigm). The term Islamic economy can be justified as the identification of one of the areas of Study based on the assumption of Islamic axioms in the social, political and legal environment, the system of values and ethics, which is a guideline for the economic behavior of men and women in Islamic society. This way of looking at the 'Islamic economy' is similar to how the 'capitalist economy' is treated as an economic analysis conducted based on the capitalist paradigm.

Islamic economic etymology is defined as a study of human behavior concerning the utilization of scarce production sources for production and consumption; thus, the economic work is human behavior related to production, distribution, and consumption (Rozalinda, 2014).

Its ethical and ideological values are demonstrated in economic institutions and interpersonal relationships patterns when the formation of revelation, namely the Prophet Muhammad's life. Thus, Islam has its economic system based on its philosophical point of view and is in line with Islamic organizations from other aspects of human behavior (Sali et al., 2020).

Monzer Kahf also said, (Islamic economics is the Study of the economic behavior of men and women, as individual economic agents, and as communities and collective entities). 'Islamic Economics' is a study of the economic behavior of men and women, as of individual economies, and as communities and collective entities (Qahf, 2015).

Aspects of epistemology or fundamental principles, traits, and the way economics works. Citing Yusuf Qardhawi's statement, Islamic Economics has three basic principles, namely Tawhid, Morality and Balance. The first two principles we both know indeed do not exist within the necessary foundations of conventional economics. The balance principle is precisely what makes conventional economics more criticized and abandoned (Meirison, 2018).

The differences in traits will be easier to see from some previous discussions. In this context, the difference between the Islamic economy and the conventional economy is not only limited to the prohibition of usury plus zakat, but the difference will be more striking when viewed critically from the philosophical Perspective of science. Choudury's propositioned process, for example, is a further differentiation of how Islamic economics works. Further discussion of the epistemological aspect will lead us to further study of the Islamic economy. This means it will expand to different economic theory parts to be discussed in micro-macro dichotomy, monetary policy, fiscal, public policy, and so on (Haneef & Furqani, 2013).

For clarity of meaning, the definition of the 'Islamic economy' is classified into two categories: the first category includes the definitions of Hasanuzzaman and Abu al-Makarim. Their primary focus is the principles and rules of Shariah that make up the framework or milieu for the economic agents' behavior. These definitions refer to what Zarqa calls the 'normative part' of Islamic economics. Their primary focus is the principles and rules of Shari 'ah that form the framework or environment for economic actors' behavior. This definition refers to what Zarqa calls a 'normative part' of the Islamic economy. that is, what if people follow Islam's orders as coming from the primary source of Islam. The definition stipulated by Tag el-Din can be added to this category because it refers to normative economics by concentrating on macroeconomic policy. This normative definition applies only in terms of the Islamic economic system, which is part of what Islam calls for to be established on earth through belief, faith and social end.

The second definition category includes the definition suggested by Khan and Arif. The focal point of these definitions is human behavior within the framework provided by the Islamic economic system. Since these definitions implicitly cover the Islamic economic system, al-Sadr and Zarqa's definitions may also be included in this category. The focal point of this definition is human behavior within the framework provided by the Islamic economic system. Since this definition implicitly includes studies of the Islamic economic system, the definitions of al-Sadr and Zarqa may as well fall into this category .

Al-Sadr asserts that Islamic economics, he calls 'scientific functions' and 'doctrinal functions'. In line with that, the Islamic economy's role, on the one hand, is to find the form of real-life variables that might be taken in a society that implements the Islamic economic system, and on the other, to uncover the Islamic economic system itself. Zarqa also considers the Islamic economy to consist of two parts: one that studies the Islamic economic system (positive part) and the other does the behavior of Muslims in the system.

Monzer al-Kahf was among the first to generalize the analysis of the use of several Islamic institutions (such as zakat) against economic aggregates, such as investment deposits, consumption and income. This can be seen in his book entitled "Islamic economics: an analytical study of the functioning of the Islamic economic system" and published in 1978. At that time, most works on Islamic economics were still discussing Islamic economic principles and outlines.

The most important and most important of Kahf's thinking is his view of economics as a particular part of religion. Because of him, a religion with an understanding that is faced with human beliefs and behaviors, economic behavior must be one aspect of religion.

According to Kahfi, Muslims do not have to be Muslims. But as long as the person wishes to accept the Islamic paradigm, he can be referred to as Islamic Man, so all the decisions he makes will certainly be different from those running conventional economies. The three pillars are (Haneef & Furqani, 2013):

- a. All things belong to God; humankind is as its caliph(having rights/responsibilities).
- b. God is one; only God's law can be enforced.
- c. Work is a virtue; the benefit is the nature of hunting; therefore, it is necessary to improve yourself.

According to Kahf, an important conclusion from Islamic economists' explanation is that it is necessary to rethink what economics is and whether we need to create an alternative 'economy' in the form of an 'Islamic economy' or simply have an Islamic perspective on the same discipline. More specifically, the previous discussion shows the following:

- a. There is a need for a discipline that studies issues usually described as economics' subject matter on a universal basis. There is a need for discipline that studies the problem, usually described as a universal economic subject matter.
- b. There is no need to add the adjective 'Islamic' to such a discipline. There is no need to add the adjective 'Islami' to a discipline.
- c. The unfortunate historical incident, the unfortunate historical incident.
- d. The Islamic economic system ought to occupy its place in economics's discipline on the same footing as other economic systems. The Islamic economic system should occupy its place in economics's discipline on an equal footing with other economic systems.
- e. Finally, and referring back to the beginning of this section, the term 'Islamic economics' may be loosely justified as a sub-branch of economics that deals with the Islamic economic system and its impact on the economic variables and decisions. Finally, and referring back to the beginning of this section, the file term 'Islamic economy' can be loosely justified as a sub-branch of the economy, which deals with the Islamic economic system and its impact on variables and economic decisions.

Monzer Kahf also argues on the definition of Islamic economics: There seems to be no agreement among Muslim economists about Islamic economics, its scope, its relation to conventional economics, methods and analytical instruments and even some basic assumptions (Qahf, 2015).

### 3.1.2. Shamin Ahmad Siddiqui

Shamim Ahmad Siddiqui argues that I'm not sure if there is a single definition of an Islamic economy. What is the Islamic definition of economics that should depart from the definition of economics? For me, economics is the Study of how people in a society, individually and collectively, organize (or could organize) different aspects of production and distribution of goods and services for the current and future well-being of its people, given the resources at hand and influenced by the views held by different segments of the society about different aspects of human life. Islamic economics is then, simply, to study economics from an Islamic perspective. Economics is a study of how people in a society, individually and collectively, regulate (or can regulate) various aspects of the production and distribution of goods and services for society's well-being today and in the future, with existing resources. And influenced by the views embraced by different segments of society about various aspects of human life. Islamic economics then, simply, to study economics from an Islamic perspective (Ahamed Kameel Mydin Meera, 2004).

In this approach, Islamic economics is a study of how different economic sectors can be regulated based on interpretations of guidelines given by Islamic knowledge sources in Muslim communities. At the same time, there may be some consensus on the basic principles of Islam. In different countries and Muslim communities, likely, there will still be apparent differences. One must also be prepared to expect and accept

that some fundamental axioms of Islamic economics and the reasoning procedures there will be similar to those in the prevailing capitalist system.

Shamim Ahmad Siddiqui also argues that every research program in economics should have a working definition of economics and its program description. It is suggested that Islamic economics should be treated as heterodox economics. An elaborate argument is also made in defense of the use of the term Islamic economics. Every research program in economics must have a definition of economic work and a description of the program. It is suggested that Asad Zaman believes More than ten different definitions of Islamic Economics, some of which are contrary to others, are available in the literature; see, for example in Qadir and Zaman (2019), this paper aims to offer a new definition of what the Islamic Economic is and explain its implications. This definition is broader than any other and offers space to incorporate all the others into its folds, just as the different aspects of elephants fit into one big picture. The most important aspect of this definition is that it is directly based on Islamic concepts and does not mix Islamic and Western ideas, unlike all other definitions I know of Qadir and Zaman (2019).

### **3.1.3. DEFINITION: Islamic Economics is the EFFORT/STRU**

GGLE to implement the orders of Allah about economic affairs in our individual lives (Micro), in our communities (Meso), and at the level of Ummah (Macro). Islamic economy is an EFFORT / STRUGGLE to carry out the orders of Allah SWT related to economic affairs in our personal lives (Micro), in our community (Meso), and at the level of People (Macro) (Qadir & Zaman, 2019).

It is essential to understand that the Islamic Economy is about the struggle to uphold Dien (religion) in the economic realm, as stipulated by the Struggle of Allah SWT or the effort to uphold Dien is worship, as all the deeds of a Muslim should be. Because we are created only for worship. This is an action-based definition, firmly at odds with the Western conception of social science. ten dimensions of contrast presented by Asad Zaman, where our new definition shows that Islamic economic methodology directly contradicts western methodology is as follows (Qadir & Zaman, 2019):

- a. Differing theories of knowledge (Theory of different knowledge) Allah T'aala promised in the Qur'an that those who fight (in) our way, We will show them our way. It means that the science we need will be generated in the process of the struggle to uphold Dien. This is a very dynamic and experiential knowledge view. This is in stark contrast to western theories of knowledge derived from a secular perspective.
- b. Islam does not permit neutrality and detachment (Islam does not permit neutrality and detachment). The idea that the Islamic Economy should be interpreted as a struggle to realize economic justice. This cannot be defined as a passive activity involving separate observations of the world in a western way, since detachment is not permitted for us Muslims.
- c. Transformative versus normative/positive failure to understand that the Islamic Economy is about active efforts to change the world has also led to misconceptions about positive normative differences. Islamic economists have rightly opposed Homo Economicus and have proposed Homo Islamicus instead. If we look at the world descriptively, humans are closer to Homo Economicus than Homo Islamicus. Therefore, the Islamic Economy is useless as a picture of the world. Similarly, people argue that there is no point in describing the Islamic Economy as an economic theory that can be applied to Islamic society because no such society exists anywhere in the world.
- d. Conventional economics is also transformative. That is descriptively accurate. Muslim economists have widely accepted this idea. Some feel ashamed about the Islamic economy's lack of descriptive accuracy and the non-scientific status of Islamic normative theory. Others try to state that Islam is also descriptively accurate by pointing out that the Koran also portrays men as selfish and greedy and desires to eat luxury goods. So the Theory of the Koran is similar to neoclassical. This is a terrible misconception about BOTH neoclassical economics, as well as the Qur'an.
- e. Misunderstanding the Quran
- f. There is some debate among Muslim writers about whether or not Islamic teachings are appropriate to neoclassical economic theories about selfishness and maximizing consumer behavior and the maximization of voracious profits by manufacturers.

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- g. Islamic microeconomics: consumer theory, if the Western microeconomic theory holds that human well-being arises by fulfilling all desires, Islam argues that the right is the opposite. Islam encourages the fulfillment of legitimate needs and suppresses useless desires. This doctrine is perfectly summarized in the Qur'an verse, which encourages us to meet our needs but to avoid waste.
  - h. Islamic microeconomics: producer theory (Islamic microeconomics: manufacturer theory) Conventional economic theory hypothesizes that business is only related to profit. Maximizing profits and raising money is the goal. This is not true, empirically. Many studies show that business owners have different types of goals. Many are service-oriented, while others get satisfaction from technical capabilities. In other words, as the Qur'an [92:4] states: Indeed, the (purpose) you strive for is diverse.
  - i. Islamic meso-economics: cooperation. (Meso-Islamic economy: cooperation) The spirit of capitalism encourages fierce competition. The jungle's law is expected to drive the most actual survival, which is the key to improving production efficiency. There is substantial empirical evidence that this idea is wrong. Today, big business routinely uses dirty tactics to drive small competitors out of business and argues that this is justified because intense competition benefits society by creating efficient businesses through the fittest's survival.
  - j. Islamic macroeconomics: ummah versus nation (Islamic macroeconomics: ummah versus nation) Western macroeconomics is based on taking state-nation as a fundamental economic unit. However, Islamic teachings strongly oppose the idea of humanity's dissing engine of mankind by creating loyalty and hatred based on national groupings.
  - k. Focus on the process, not outcomes; there are many areas where Islamic Economic principles are dramatically at odds with Western economic principles. A more extensive list of conflicts (though still incomplete) is available in Zaman (2012, "An Islamic Critique of Neoclassical Economics."). For the current purpose, we are satisfied with this list of ten significant differences. The tenth is a strong and clear Islamic focus on the process rather than the outcome. In my experience, many Muslims have difficulty understanding this problem, although it has been explained very clearly in the Qur'an and Hadith in many different contexts.

Asad Zaman says that in this article, we argue that the main reason for this is that most Muslim economists have accepted too many western economists' ideas unclear critically. The methodological framework and the underlying assumptions are wrong and contrary to Islamic views. This conflict has not been identified, and attempts to incorporate contradictory bodies of knowledge have failed. We also present an alternative foundation on which the original Islamic economic theory can be built (Qadir & Zaman, 2019).

### **3.2. The crisis of methodology that plagues Islamic economics**

From an Islamic perspective, the existence of a methodology is an invitation. As a discipline derived from Sharia, Islamic economics has a specific methodology by the values of Islamic teachings.

Muhammad Anas Zarqa explained that the Islamic economy consists of 3 methodology frameworks. The first is presumptions and ideas, or so-called basic ideas and principles of the Islamic economy. This idea is derived from the Qur'an, Sunnah, and Fiqh al-Maqasid. This idea should later be downgraded to a scientific approach in building the frame of thought of the Islamic economy itself. The second is the nature of value judgment or value approach in Islam to economic conditions that occur. This approach relates to the concept of utility in Islam. Third, the so-called positive part of the economics science. This section explains economics' reality and how Islam's concept can be passed down in real and real conditions. Through these three approaches of methodology, the Islamic economy was built (Ibn-al-Aṭīr, 2010).

According to Hasan (1998), Islamic economic methodology is the opposite of conventional economic methodology. In conventional economics, the shift from economics to methodology, whereas in Islamic economics, shifts from methodology to economics. This is because Islamic economic methodology does not seek to formalize 'what economists do' in conventional economic methodologies. Instead, he set goals for Islamic economists, set norms of behavior for their achievements, and formulated rules for evaluating results. According to Hasan, in the Islamic economy, one is faced with an existing.

Zaman (2012, Crisis In Islamic Economics) explains the current Islamic economic crisis widely recognized by leaders in its field. The conventional view is that the Islamic Economy should compromise

between the Islamic ideals contained in homo Islamicus, and the realistic views contained in homo economicus. However, there is substantial disagreement about the nature and extent of the compromise required. The consensus in defining "Islamic Economics" seems to be a prerequisite for progress. I believe that a purely justified and direct definition of Islamic sources will produce an uncompromised consensus. Furthermore, this definition paves the way for a radically new approach, fulfilling the promise initially held by the Islamic Economy (Qadir & Zaman, 2019).

Islamic economics is not monolithic. It consists of a wide range of approaches and addresses a wide range of micro and macroeconomic topics. But despite the many differences, contributions must have something in common to justify their classification under the 'Islamic economy' or - as many like - 'economics from an Islamic perspective' (the two are further combined and abbreviated "IE"). It should also distinguish IE from conventional economies that discuss relevant topics in IE or relate to Islamic economic phenomena such as Islamic banks. The following quote' (1917) about the German School of History approaches the basic tenor of IE: "[The German School of History] calls itself ethical; he considers the political economy to be a high ethical duty, and deals with the most critical issues in human life. Science is not solely to classify motives that encourage economic activity; it should also consider and compare their moral merits. He must set the right standards for the production and distribution of wealth to meet the demands of justice and morality. He must express the ideals of economic development. Looking at intellectual and moral life and material alone, and should discuss ways and means – such as strengthening correct motives, the spread of healthy customs and habits in industrial life, and direct intervention of the Siddiqi (2008). If the above quote is close enough to the main contribution character of IE, then it can be justified to say as follows:

- a. IE has yet to emerge with a new paradigm but follows a more dominant approach in conventional economic science than a century ago: the original quote refers to the 19th century
- b. This flow of thought was vigorously and successfully attacked by Max Weber for merging analysis and value assessment, and a value-free social science paradigm replaced his paradigm. This, however, never meant that normative issues should be abolished altogether, but the method for incorporating them into political action is not that simple.
- c. The methodological debate in conventional economic science does not assimilate in IE. This has tied resources in a repetition of unnecessary old controversies. However, it seems that over the last three to four decades, mainstream economists' interest in methodology and debate over it has declined drastically or even disappeared. This is likely to change in the future because mainstream economies' failure to foresee the recent global crisis provides a new impetus to reconsider basic paradigms and conventional economic methods.
- d. Western concepts of separation of religion and state (secularism) are often treated with hostility. However, it has an elusive intellectual basis with no knowledge of the past century's methodological debates. The Western economic order is far less non-or even anti-religious than many external critics assume.
- e. A closer look at the methodological paradigm shift in Western economics will reveal the existence of a so-called "Christian economy" (and "economy from a Christian perspective") that has many structural similarities to IE – including its abandonment by the Western mainstream.

Some Islamic Economic Issues and Adherence to specific methodologies become irrelevant to the definition of science. Economics has become a multi-method science of choice or human action, and it is now tolerated the use of methodologies - from empirical testing of mathematical modeling and behavioral experimentation to deductive apriorism based on the axiom of 'self-evidence' - as long as it is "reasonable" and promises to contribute to knowledge. The problems are (Siddiqi, 2008; Zaim Rais, 2020). Islamic Economics as a Widely Disregarded Field, Islamic Economics as a Very Neglected Field.

Islamic economics is widely ignored in mainstream economies. The largest (probably) association of economists worldwide is the American Economic Association (AEA). AEA publishes seven journals, including two widely read and used journals for reference: the Journal of Economic Perspectives and the Journal of Economic Literature. The AEA website allows members to search the titles and abstracts of AEA journal articles from 1999 to the present for keywords. The keyword "Islam" generates a total of three records! But that doesn't mean the Islamic economy is ignored at all. The AEA's electronic bibliography, EconLit, indexes several specialized journals and books on Islam's economics and finances, and the keyword 'Islam' produces approximately. 1,400 results.

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- a. The Potentially Deterrent Normative Dimension of Islamic Economics, (D Normative Impressions that potentially Prevent Islamic Economics) Islamic economics, by its definition, is normative economics. Whether it is called 'Islamic economics' or 'economics from an Islamic perspective', it is clear that Islam's specificity lies in the relationship of economic problems with the primary sources of the Islamic worldview - the Koran and sunnah.
  - b. Neither the Qur'an nor sunnah provide any economic theory that can be applied directly or an explanation of the current economic phenomenon. For most of the current problems, the primary source offers nothing more than a statement that specific actions or practices are wrong (or right) for individuals or communities. Still, proper causal relationships are usually not explained. For example, one of the most contentious economic instructions in the Qur'an is the ribā ban.
  - c. "IE Light" Studies. While not many conventional economists are interested in engaging in systemic debate with Islamic economists, there is a readiness to conduct studies and engage in discussions on topics and sectors more specific to the Islamic order. Islamic finance - including microfinance and financial-related development policies - is the most prominent example. However, most contributions in this field are not debates on IE issues.
  - d. Islamic Economics as Political Economy. The constitutive systemic dimension makes IE not only a normative science but also a political economy. Islamic economists cannot stop with the outline of the institutions, structures and interdependence of the 'ideal' (contemporary) Islamic economic system. They should compare this ideal Z with the reality of X. Since Z is ideal, there will be a difference between X and Z. There is no doubt that X should be moved to Z. Since 'IE proper' is defined by its systemic Perspective, it is inherently a critical and action-oriented science - political economy (in the modern sense). 'IE light' does not have this quality. 'IE proper' can't stop at the ideal world description or design, but it also has to deal with the transition from X to Z.

### 3.3. The urgency of developing methodology and approach in the Islamic economy

Islamic economic methodology addresses two aspects; how to assess the Islamic economic theory and evaluate that theory's reliability. The methodology also discusses the criteria and principles that make up the subject matter to achieve this goal. However, in general, Islamic economists' writings on methodology have not discussed these aspects in detail.

Instead, they have tried several discussions about the development of theory, namely the steps involved in developing models or theories. Overall, the discourse on Islamic economic methodology is still fundamental and far from the reach that is academically considered sufficient to sustain discipline. For example, a specific discussion of the principles used in dealing with the source of knowledge and the criteria of theoretical assessment is still not spelled out properly, if tried at all. In the following discussion, we try to briefly survey the writings on Islamic economic methodology that have been put forward by elected Islamic economists. We have generally taken chronological order in presenting these views. (Haneef & Furqani, 2013, pp. 1-6).

Arif (1987) tried to provide scientific justification for the work plan of Islamization of knowledge. He sees this plan and vision as an acceptable scientific research program with legitimate scientific criteria, following Einstein's stratification process and Kuhn's view of establishing a paradigm/scientific revolution. He argued that the Islamic economic methodology in the economic Islamization project aimed to develop the stratification of primary concepts and build the Islamic economic paradigm. This is done by the idealization of a broad picture of the perfect system's functioning for projecting a worldview resulting from a 'philosophical foundation' and a general view of the system's final natural outcome (without discussing specifics and details). This is followed by the central concept's stratification (abstraction) resulting from Shariah's philosophical foundation. Stratification is carried out continuously so that each new and higher stratification produces one unity that may be higher. And the final stage is to build a paradigm to develop relevant models and theories, identify the variables needed, determine their interconnectedness, and conduct experiments to interpret the data precisely according to idealization.

According to Anwar (1990), the methodology of Islamic economics aims to encourage the growth of economics within Islam's framework. Therefore, he suggested this process could be done in two ways; either to Islamize modern economic theories and models or to develop economic theories that are detached



from Western thinking based on Islamic values. He focuses on the first and sees a process that compares conventional economic theory components with the components that make up Islam's corpus and core. The process requires the *ijtihad* of scholars to classify components of conventional economic theories and models into Islamic elements, not Islamic, or neutral. The resulting Islamic economic theory and model will represent a core combination, including the corresponding corpus of the Qur'an and hadith accommodation assumptions, evidence, and functional principles of Islam as well as neutral from existing non-Islamic literature; and the addition of new thinking consistent with the corpus developed based on *ijtihad*. This product can allow us to identify Islam and neutral elements in theory and, therefore, can be applied in Islamic hadith economics. The 'contrast' stage in the Anwar process implicitly requires a kind of benchmark that will be a reference to determine the degree of various components in conventional economics.

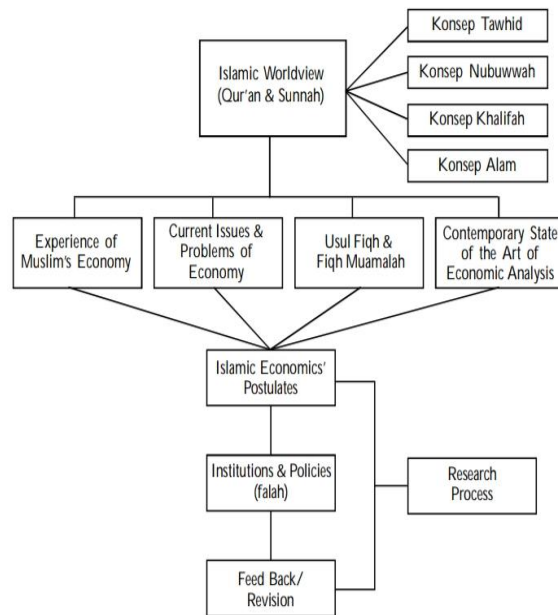
Choudhury has been one of the most prolific writers on the Islamic economy over the years, with many of his publications focusing on the importance of developing Islamic economic philosophy, including his work *Islamic Political Economic Principles: A Methodological Question* (1992). In building an Islamic economy, Choudhury has two significant differences in his approach. First, it is his strong view of the need to break away from the modern mainstream economy, whose basic assumptions about markets and competition, rationality based on transitivity axioms (including limited rationality), complete information and methodological individualism), for him, are unacceptable in the approach of the Islamic world system. In turn, he mentions the need for ethical indigeneness, that is, 'endogenous morality' by referring to *tawhid* episteme or methodology based on *tawhid* principles. Second, in trying to develop this framework of Islam and moving from a philosophical discussion that remains largely in the metaphysical realm to inform the 'economic sub-system,' he puts forward his phenomenological model (represented by a fully modified one. Debreu's model is built on the principle of conscious unity and its logical formalism and applies it to economics' socio-political order. His writings broadly refer to the Qur'an and Sunnah (as the main sources of knowledge) and the views of scholars who interpret these sources and extensively use simulations, mathematical symbolism and set theory in what he claims to be the embodiment of the complex Interactive, Integrative and Evolutionary framework (IIE) (reflecting circular causes) of the learning process. He is clearly among the few writers who have tried a 'system' approach to developing Islam's socio-political economy.

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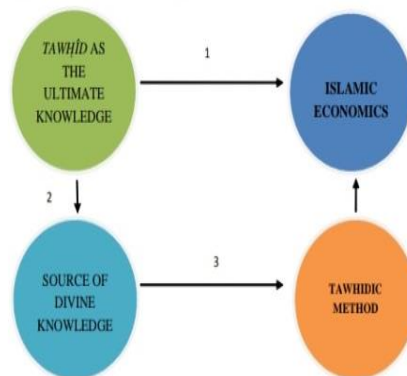
Two things should be carefully understood in the paragraph above; first, Islam as a way of life (Way of Life) guided by the Qur'an and al-Sunnah contains economic principles. In the process of finding (not creating) economic principles or *muamalah* law (*fiqh mu'amalah*) in both sources need to continue to be done to ensure the achievement of benefits and preservation. Normative justification can be found through both deductive and inductive approaches. This tradition has been done by classical and contemporary scholars to obtain divine justification from the Qur'an and al-Sunnah. At this stage, the scientific process with the method *Usul al-fiqh* related to normative discovery justification will continue in line with the development of human economic activity (Meirison, 2020). Second, as a system, the Islamic economy has a role of halal "stamp" giver. More than that, Islamic economics as science seeks to understand economic problems and human behavior in a sharia point of view. In turn, this process allows the discovery of formulations or economic theories that take into account shari'ah opinions. At this point, Khan added that maximum collaboration between religious scholars and economists is necessary for the current conditions to develop the Islamic economy. Broadly the chart of economic construction development in the Islamic paradigm is as follows: Epistemologically, *tawhid* is the highest knowledge of the Islamic economy based on the truth revealed. In Alatas's view, knowledge is not entirely and purely the result of human thoughts and experiences but also based on revealed truths. Continuous knowledge requires direction, supervision, and assistance from revealing the truth.

Concerning methodology, *tawhid* methodology is a subject that unites the objects of Study; economic realities, doctrines and practical experiences, ideas and facts, normative and positive aspects, and which meet the criteria of integrity and unity in Islamic economic theory. Somebody will unite knowledge of revelation, intellectual reason, and fact-checking in assessing Islamic economic theory and empirical practice. The function of *tawhid* methodology is to interact and integrate various inquiry methods in economic Islam, as explained by Nurizal Ismail.

Gambar Pengembangan Konstruksi Ekonomi dalam Paradigma Islam



Sumber: Diformulasikan penulis dari beberapa sumber



Picture 1: *Tawhid* is core of Islamic economics

The central or core concept permeating all aspects of Islamic economic epistemology is tawhid or God's unity. The *Toe* is the essence of Islam; without it, there would be no Islam. Epistemologically, tawhid files are considered a unit of knowledge and can be broken down into sources, methods, and scientific knowledge. Knowledge comes from God's revelation to His Prophet, and reasoning, perception, and empiricism. In the view of al-Attas, the first type of science is given by God through direct revelation and the second through the speculation of rational investigation efforts based on his experience of the reasonable and understandable.

#### 4. CONCLUSION

definition of Islamic economics from Islamic economists is an ongoing research flow of research conducted by Monzer Kahf, then continued by Shamim Ahmad Siddiqui, and finally, Asad zaman. Concluded in his research as follows Islamic Economics is the EFFORT/STRUGGLE to implement the orders of Allah about economic affairs in our individual lives (Micro), in our communities (Meso), and at the level of Ummah (Macro). Islamic economy is an EFFORT / STRUGGLE to carry out the orders of Allah SWT related to economic affairs in our personal lives (Micro), in our community (Meso), and at the Level of People (Macro). The crisis that plagued Islam's methodology and economy occurred because several factors include (a). Islamic Economics as a Widely Disregarded Field, Islamic Economics as a Highly Overlooked Field, (b) The Potentially Deterrent Normative Dimension of IslamicEconomics, (D) NormativeImensitivity That Has The

Potential to Prevent Islamic Economics) (c) "IE Light" Studies (d) Islamic Economics as Political Economy. The essence of the urgency of the development of methodology and approach in the Islamic economy is on tawhid. The central concept or core that permeates all aspects of Islamic economic epistemology is tawhid. Tawhid is the essence of Islam, tawhid is considered a unit of knowledge and can be broken down into sources, methods, and scientific knowledge. Knowledge comes from God's revelation to His Prophet, and reasoning, perception, and empiricism. In the view of al-Attas, the first type of science is given by God through direct revelation and the second through the speculation of rational investigation efforts based on his experience of the reasonable and understandable along with the development of science and research that continues to be conducted by Muslim economists. It should be possible for the Islamic economy to dominate the economic system used by economic practitioners; therefore, there must be real support from us as academics of Islamic economics and practitioners of Islamic economics later.

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