

**EXAMINING ISLAMIC ECONOMIC THOUGHT:
ADIWARMAN AZWAR KARIM**

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ABSTRACT

Adiwarman Azwar Karim is one of the contemporary Muslim scholars in Indonesia who has an important role in the development of Islamic economics in Indonesia. His thoughts and ideas gave birth to various works that became a reference for academics and practitioners of Islamic economics so that it had a major impact on the development of Islamic economics today. The purpose of this research is to look at some of Adiwarman Azwar Karim's thoughts. The method used is a literature study with a descriptive qualitative approach. Data sources come from secondary data sources, namely journals and books related to the discussion. The results showed that the methods and approaches used by Adiwarman Karim in his various works were historical approaches, fiqh and economic approaches. Some of Adiwarman Karim's economic thoughts are Islamic Economic Design, Intellectual Integration and Harakah; Campus-Government-Practitioner, Mudharabah Concept, Gold Pawn and Economic Value of Time. In addition, Adiwarman avoids Islamizing the economy by taking conventional economics and then tracing the verses of the Qur'an and hadith because it forces the Qur'an and hadith to match the human mind.

Keywords: Economics, Islam, Adiwarman Karim

INTRODUCTION

Islamic economic thought is as old as Islam itself. At the beginning of Islam, Islamic economics was not yet a scientific discipline, but only displayed in the form of Islamic economic norms and values. Since the beginning of Islamic economic norms and values are found in the Qur'an and Sunnah and practiced by Muslims in everyday life. Such as the prohibition of consuming usury, the prohibition of consuming wealth in an unlawful way, the command to seek Allah's bounty on earth, the command to invest, the command to do business, the prohibition of hoarding goods with the intention of transporting goods, the regulation of public and individual ownership, the prohibition of price setting by the state, the command to regulate and supervise the market, crisis management, to regulate the sources of income and expenditure of the State (Sulaiman, 2019).

The development of Islamic economics in Indonesia is also inseparable from several driving factors. In simple terms, these factors are grouped into external and internal factors. External factors are causes that come from abroad, in the form of the development of Islamic economics in other countries. This awareness then spread to other countries and eventually reached Indonesia. The internal factor is the fact that Indonesia is destined to be the country with the largest Muslim population in the world. This fact raises awareness in some scholars and economic practitioners about the need for an economy that is in accordance with Islamic values run by Muslim communities in Indonesia (Santi, 2019).

Today, the development of Islamic economics is marked by the increasing number of practices of sharia-based financial institutions that invite various forms of response from Muslims, including the emergence of Muslim awareness of a comprehensive understanding of Islamic economics which is not just about technical issues and applications but encourages Muslims to understand the background and history of Islamic economic thought (Istiqomah & Zulaikah, 2019). The massive development of Islamic economic thought in Indonesia in the contemporary era is inseparable from the role of Islamic economists who have provided many ideas through their writings and works and established many institutions that have a strategic role in the socialization of Islamic economics among Muslim scientists and among the public. Reporting from several print media in Indonesia, such as republika.co.id, historia.id, ekonomiislam.net, idxchannel.com, and alamisharia.co.id, Islamic economic figures who have been named influential in the development of Islamic economic thought in Indonesia include Adiwarmanto A. Karim and Syafi'i Antonio. These figures have a big share in the progress of Indonesia's Islamic economy, as researchers will discuss in this study which analyzes the school and the role of these economists (Moslem, 2022).

Thus, the purpose of this article is to discuss the thoughts of one of the mentioned figures who influenced the development of Islamic economics in Indonesia, Adiwarmanto Karim. His works are based on his experience in formal education as an economics graduate and his career at the first Islamic bank in Indonesia, Bank Muamalat Indonesia (BMI) (Shafrani, 2020). The interesting thing about his thought is the concept of synergy between the theory based on Islamic law and the practical level so that his thoughts are able to answer the problems of social aspects of society.

METHODS

This research is library research with a descriptive qualitative approach. The data collected in qualitative is not in the form of numbers, but the data is obtained from the review and study of literature on sources that are literature. This research data is in the form of secondary data obtained from various journals, books, research related to the discussion of Adiwarman Karim's contemporary economic thought. Some stages of the descriptive qualitative method are data obtained from various literatures then analyzed, then reviewed for the purposes of data reduction, from the results of data reduction, data classification will be carried out by describing it in the discussion so that in the end conclusions are obtained.

RESULT AND DISCUSSION

Biography of Adiwarman Azwar Karim

Adiwarman has the full name and title Ir. H. Adiwarman Azwar Karim, S.E., M.B.A., M.A.E.P. He is a man born in Jakarta, June 29, 1963. Adiwarman comes from a family with a background in legal education. His father, Azwar Karim, was a prosecutor who later chose to become a lawyer. Adiwarman is married to Rustika Thamrin, a graduate of the Bachelor of Psychology at the University of Indonesia. From his marriage, he and his wife have three children named Abdul Barri Karim, Azizah Mutia Karim, and Abdul Hafidz Karim.

Adiwarman's nickname is Adi, he is a figure who has a passion for learning. He pursued his undergraduate education at IPB and UI. In 1986 he obtained his engineering degree at Bogor Agricultural University (IPB). Then in 1988, Adiwarman also completed his education and received an M.B.A degree at the European University, Belgium. After that he continued his studies which had stopped at UI and managed to obtain a Bachelor of Economics degree in 1989. Adiwarman was not satisfied with the knowledge he had gained. So, three years after graduating from UI, namely in 1992, Adiwarman obtained a second Masters degree at Boston University, USA on a USAID scholarship with an M.A.E.P. In addition, he was also involved as a Visiting Research Associate at the Oxford Center for Islamic Studies (Wahab, 2016).

In 1992 Adiwarman became one of the employees at Bank Mu'amalat Indonesia, after previously working at Bappenas. His early career as an R&D staff. Six years later he was trusted to lead BMI (Bank Muamalat Indonesia) West Java branch. His last position in the Sharia Bank pioneer was Vice President Director in 2000, when he decided to leave BMI was not an easy matter. Because, working in an Islamic bank has been his desire since he was a student. Therefore, he only dared to decide to leave BMI after performing Istikharah prayers for 6 months. Adiwarman's departure from BMI was because he had a bigger agenda to achieve, which was to fight for the opening of sharia divisions in conventional banks. The results of Adiwarman's efforts can be seen today, with the opening of sharia divisions, units and outlets in several conventional banks, although it was not the only factor that caused it.

After releasing his position at BMI, in 2001 with a capital of Rp.40 million, Adiwarman then established a consulting company called Karim Business Consulting. along with the development of Islamic economics and sharia banking in Indonesia,

currently the company he leads has become the first reference of various economic issues in Islamic banking or Sharia (Mardiyah, 2016).

Adiwarman's contribution to the development of sharia banking and economics in Indonesia is not only as a practitioner, but also as an intellectual and academic. He became a guest lecturer at a number of well-known universities, such as UI, IPB, Unair, UIN Syarif Hidayatullah and a number of private universities to teach in the field of banking and shari'ah economics. In some of these universities he also established the Shari'ah Economics Forum (SEF), a model of Islamic economic network engaged in science. The institution organizes non-curricular education which is held for two semesters and is prepared as a means of "Islamizing" the economy through campus channels (Mardiyah, 2016).

In 1999, Adiwarman along with approximately forty-five Indonesian Muslim figures and scholars agreed to establish the International Institute of Islamic Thought Indonesia (The International Institute Of Islamic Thought Indonesia) or abbreviated as IIIT-I as its parent organization based in the United States is an institution for the study of Islamic thought that seeks to explore the Islamization of science as an Islamic response to the development of science.

The effort was initiated by several Muslim scholars in the United States in 1981. In Indonesia, similar efforts have been made through the development and exploration of Islamic economics. The fruitful response to this effort is evidenced by the increasing number of banking institutions that adopt the sharia system. Just like its parent organization, IIIT-Indonesia developed as a non-profit organization engaged in the area of thought and culture. IIIT-Indonesia is independent, not affiliated with any local movement. Its mission is to develop Islamic thought and its methodology in order to increase the contribution of Muslims in building a better common civilization. It was with IIIT-I that Adiwarman's work in the field of Islamic economics was increasingly recognized with his appointment to the National Shariah Council and involvement in preparing the birth of the Shariah Banking Law (Ridawati, 2021). The details of Adiwarman Karim's work history are as follows:

- 1) Vice President of Muamalat Institute in 2000 – 2001
- 2) Vice Chairman of the National Sharia Council - Indonesian Ulema Council (DSN-MUI) in 2010-2015
- 3) Independent Commissioner of Bank Sahabat Sampoerna in 2012 – 2020
- 4) Founder of KARIM Consulting Indonesia in 2013 – now
- 5) Chairman of the Sharia Supervisory Board (DPS) of PT Manulife Aset Manajemen Indonesia in 2020-present
- 6) Vice Chairman of the National Sharia Council - Indonesian Ulema Council (DSN - MUI) in 2021 – 2025
- 7) President Commissioner/Independent Commissioner of PT Bank Syariah Indonesia Tbk from 2021 to May 2023
- 8) Deputy President Commissioner / Independent Commissioner of PT Bank Syariah Indonesia Tbk May 2023-Present

Scientific Works Some of Adiwarman Azwar Karim's published writings include:

- 1) Islamic Bank: Fiqh and Financial Analysis (first edition, 2004, second, 2006, third, 2008, and fourth 2010)
- 2) Islamic Microeconomics (first edition, 2004, second, 2006, and third, 2008)
- 3) History of Islamic Economic Thought (first, 2004, second, 2006, and third editions, 2008)
- 4) Islamic Macroeconomics (first, 2006 and second editions, 2008)
- 5) Islamic Economics: A Contemporary Study (first edition, 2001)

Approach and Methods Adiwarman Azwar Karim

Several approaches and methods are used by Adiwarman Karim in his works in building Islamic economic science. The approaches used can be mapped into historical approaches, fiqh and economic approaches. The historical approach is very thick in Adiwarman's various writings. In each of his writings, especially books, he always tries to explain contemporary economic phenomena by referring to classical Islamic history, especially during the time of the Prophet Muhammad. In addition, he also collaborates the thoughts of great scholars of the classical period and tries to reflect them in the present context, of course according to an economic perspective. Through a historical approach, Adiwarman examines the thoughts of Islamic economic figures and compares them empirically with the existing economic system. As a result of his study, Adiwarman found historical distortions. A lot of thoughts related to economics issued and introduced by experts from the west, but after tracing it turns out that these thoughts are not their original thoughts but the thoughts of Islamic figures and experts who are then reduced and claimed to be pemikiran and western economists (Shafrani, 2020).

In addition to the historical approach, Adiwarman also uses the fiqh approach. In his view, fiqh does not only talk about aspects of ubudiyah. Fikih speaks of the broader social aspects of society, especially when framed in the container of fiqh al-waqi'iy (fiqh of reality). In this format, fiqh is more of a response to contemporary problems as an effort to find the right answers and solutions for a particular society in a particular context. Therefore, Adiwarman always adheres to the adage "li kulli maqam, maqal. Wa likulli maqal, maqam". (Every condition needs the right expression. And every expression, needs the right time too). The fiqh approach used by Adiwarman does not stand alone. Thus, to be able to respond to economic phenomena, fiqh principles formulated by past scholars are then drawn to an economic perspective. Simply put, Adiwarman uses fiqh terms and principles in discussing economic issues.

Adiwarman Karim in bringing up the concept of Islamic economic design, he combines the text of the Qur'an, hadith and the empirical level of the economy. That at every value in his design, he first relies on the text of the Qur'an and hadith, then the logic derived from his observations and experiences. Adiwarman's thinking reflected in his works is very clear that he prioritizes the Qur'an and hadith, for example the value of tawhid, nubuwwah and khilafah, it appears that this value arises because it is in the Qur'an and hadith. This process does not stop at just reading the text, but if it is followed from the process carried out in the bayani method, namely first reading the text correctly then making an analysis and understanding of the text with reason or logic (Shafrani, 2020).

However, Adiwarman avoids Islamizing the economy by taking Western economics and then looking for verses of the Qur'an and hadith. According to him, this cannot be justified because it is the same as forcing the Qur'an and hadith to fit the human mind. Islamic economics is not conventional economics and then plastered with the Qur'an and hadith. Therefore, the method taken by Adiwaman is to conduct a "free interpretation" of the texts of the Qur'an, as-sunnah and fiqh in an economic perspective (Ridawati, 2021).

Adiwarman Azwar Karim's Economic Thought

1. Islamic Economic Design

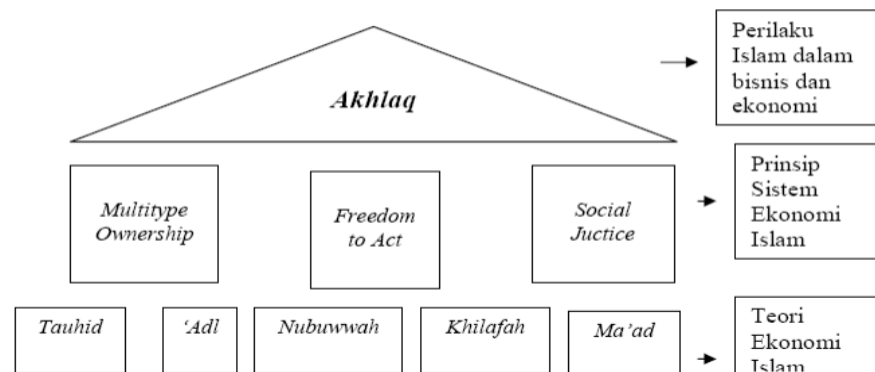
According to Adiwarman, so far there has been a historical distortion of economic theories, where economic theories introduced and developed by Western economic thinkers in medieval times are actually the results of the thoughts of Muslim scholars who are reduced or claimed as the result of their thoughts (Wahab, 2016). Among the economic theories taken by the West without mentioning their sources include (A. A. Karim, 2001)

- a. Pareto Optimum Theory taken from Imam Ali's Nahjul Balaghah book
- b. Bar Hebraeus copied some chapters from the book Ihya 'ulumuddin
- c. St. Thomas copied many chapters from Al Farabi and Al Ghazali's ideas
- d. Adam Smith, the famous father of economics, in his book the wealth of nation has copied from Abu Ubaid's book Al Amwal

Talking about Islamic economics, the definition so far that is often found is "economics based on the Qur'an and as-Sunnah". Often such a definition is not accompanied by a thorough explanation, so it seems that Islamic economics is any economy wrapped in arguments from certain verses or traditions. For many, the "just that" explanation is not able to provide a satisfactory answer. Because it could be a conventional economy can be said to be Islamic as long as it can be legitimized by a particular verse. That is what Adiwarman calls the imposition of verses. The primacy of the discussion of Islamic economic principles is stated by Adiwarman that the conventional economic paradigm and the Islamic economic paradigm will never be possible to compromise, because each is based on a different world-view (weltanschauung) (Firdausi & Herianingrum, 2020).

Aware of this, Adiwarman offers an understanding of Islamic economics as an economy built on universal Islamic values. The values he refers to are: tawhid (oneness), 'adl (justice), khilafah (government), nubuwwah (prophethood) and ma'ad (return) (A. Karim, 2007).

Rancang Bangun Sistem Ekonomi Islam



Briefly, the correlation of these principles can be explained as follows:

Tawhid, the concept of the oneness of God provides direction for economic actors that everything belongs to God, humans are only trustees. Therefore, there is a system of accountability for every economic action. Ultimately, on a macro scale, the principle of accountability encourages the realization of economic justice in a society. However, to be able to realize this justice requires the intervention of the khilafah (government) as a regulator. The best example of the implementation of a government-run regulatory system in economic matters can refer to the socio-economic structure during the Prophet's time (nubuwwah), especially the Medina era. The ultimate goal of all economic activities that are neatly arranged through the system is none other than the maximization of results (ma'ad, return) which not only uses material measures, but also religious aspects. Protection includes spending providing protection for the whole house including rent, electricity bills, water bills and everything related to the basic needs of a house.

The above principles, when drawn in the context of economics become the basis of inspiration to compile theories and propositions of Islamic economics. The five principles above need to be derived again into propositions of Islamic economics which include; multiple ownership, freedom to act, and social justice. Multiple ownership is a derivation of the principle of tawhid, where humans as trustees on earth are given the same rights and responsibilities in managing available resources. But human freedom to exploit resources is limited by a common goal, namely the creation of social justice and equitable welfare (return, ma'ad). While the proposition of freedom of business (freedom to act) provides motivation to economic actors in business, both in their capacity as individuals and the government as a regulator, as practiced during the time of the Prophet. In addition to the above principles, the creation of an Islamic economic system also requires an order of norms or laws that become the umbrella and guarantee for its sustainability. In Adiwarman's terms, this system of norms or laws is referred to as Islamic economic morals.

2. Intellectual and Harakah Integration; Campus-Government-Practitioner

In Adiwarman's view, Islamic economics will not be able to rise in Indonesia by only emphasizing one aspect of development, theoretical or practical. Both aspects

must run simultaneously and simultaneously. Such a movement is referred to by Adiwarmanto as *harakah al iqtisadiyah al islamiyah al-indonesiyah* (Indonesian Islamic economic movement). According to him, the successful development of Islamic economics in Indonesia in the current stage can not be separated from the *harakah* model. With the *harakah* approach, it is intended as a simultaneous movement of each party, namely practitioners, academics, and the government. According to Adiwarmanto, *harakah iqtisadiyah* as a model of Islamic economic development in Indonesia can be done through three stages.

First, seeking Islamic economic discourse into the campus through the curriculum, or other forms (books, study groups, seminars and so on). This first stage seems to have found its results, as evidenced by the opening of several departments, faculties and even colleges that specifically study Islamic economics. *Second*, the development of the system. This stage can be done through the establishment of laws, or regional regulations. This is very necessary, because without a clear and firm legal umbrella, Islamic economics in Indonesia which is a new concept and is not supported by strong capital will be difficult to develop and can even matisuri. This second stage has also been successful with the passing of various regulations that support the operation of banking, pawnshops and the Islamic economy in Indonesia. *Third*, the development of the *ummah* economy. This third stage is very heavy and cannot be realized only through academic and legislative channels. To achieve this third stage requires concern and strong willingness of practitioners to remain committed to practicing Islamic economics in each of their economic activities. In this case, the economic practice in question does not only revolve around the issue of usury, but how the Islamic economy is realized professionally and profitably. Therefore, according to Adiwarmanto, the slogan "better profit a little but barakah" does not exist in Islam. Islam must be "big profits and blessings".

3. Mudharabah Concept

Specifically, according to Adiwarmanto, there is a form of *musyarakah* that is popular in Islamic banking products, namely *mudharabah*. *Mudharabah* is a form of cooperation between two or more parties where the owner of the capital entrusts a certain amount of his capital to the manager with a profit sharing agreement. This form emphasizes cooperation in a combination of 100% contribution of cash capital from *Shahibul maal* and expertise from *mudharib* (Sa'diyah & Arifin, 2013).

This transaction does not require a representative of the *shahibul maal* in project management. *Mudharib* as a trustee must act prudently and is liable for any losses incurred due to negligence. *Shahibul maal* is expected to manage the capital in a certain way to create optimal profit. The essential difference between *musyarakah* and *mudharabah* lies in the amount of contribution to management and finance or one of them. In *mudharabah*, capital comes from only one party, whereas in *musyarakah* capital comes from two or more parties (A. Karim, 2008).

According to Adiwarmanto Karim *mudharabah* in the form of a trust agreement (*uqud al-amanah*) which demands a high level of honesty and upholds justice. Therefore, each party must maintain honesty for the common good in every business of each party not to commit fraud and injustice in the distribution of income which in fact will damage Islamic teachings.

Mudharabah financing which requires high mutual trust between customers and banks because according to Adiwarmanto Karim this makes *mudharabah* financing

a high-risk financing, banks will always face problems where mudharib knows information that is not known by the bank and it is likely that mudharib does things that only benefit mudharib and harm shahibul mal. Banks can simply channel some funds to mudharib on the basis of trust, because there is always a risk that the financing that has been given to mudharib is not used properly to maximize the benefits of both parties. Once the funds are managed by the mudharib, the bank's access to information on the mudharib's business is limited (A. Karim, 2008). Thus, things will happen that are not desired by all parties. Avoiding the possibility of this, the Islamic bank according to Adiwarmar Karim must apply a number of certain restrictions when channeling financing to mudharib.

According to Adiwarmar Karim, there are basically four general guidelines for incentive-compatible contracts, namely:

- a. Setting covenants (conditions) so that the portion of capital from the mudharib is greater and or impose guarantees.
- b. Setting a condition that the mudharib does a business with lower operating risk.
- c. Setting a condition that the mudharib conducts business with transparent cash flow.
- d. Set conditions so that mudharib does business with low uncontrolled costs.

Based on the description above regarding Adiwarmar Karim's thoughts on mudharabah is a form of cooperation between two or more parties, the party that provides capital entrusts its capital to the manager with the aim of doing business and for profit. Mudharib as a trustee of the manager must act carefully in doing business because mudharabah is in the form of a trust agreement and demands high honesty and upholds justice (Andiyansari, 2020). Adiwarmar Karim argues that mudharabah capital must be cash and mudharabah capital can be in the form of other than money, namely goods provided that the goods must be estimated at the value of the goods used as capital in mudharabah, the profit from the business is divided according to the agreement at the time of the contract (A. Karim, 2008).

The profit of a mudharabah business is divided according to the agreement stated in the contract. Meanwhile, if the loss is borne by the owner of the capital as long as the loss is not the result of the manager's negligence. If the loss is caused by fraud or negligence of the manager, then the manager must be responsible for the loss (Masse, 2010). Adiwarmar also argues that if the business loses, the mudharib will actually bear the loss of work, effort and time that he has devoted to running the business. So, actually the two parties both bear the loss, but the form of loss borne by both is different, according to the object of mudharabah that is contributed (A. Karim, 2008). If what is contributed is money, the risk is the loss of that money. Meanwhile, if what he contributes is labor, the risk is the loss of his effort and time by not getting any results for his hard work during the business.

4. Gold Pawn

The amount of public interest in Islamic pawn financing, Islamic banking, which is one of the institutions that provide these products, must be guarded so that there are no bankers who deviate from the existing system because it can damage the image of Islamic banking in the eyes of the public (Maulidizen, 2016).

Gold is often a collateral item in pawn transactions. Islamic Gold Pawn is a pawn or surrender of physical control rights over valuable property / goods (in the form of gold) from the customer (al-râhin) to the bank / pawnshop (al-murtahin) to be

managed with the al-rahn principle, namely as collateral (al-marhûn bih) for the borrower (al-marhûn) given by the customer / borrower (Safarida, 2021).

Adiwarman Karim criticized the recent surge in Islamic gold pawning activities in the Islamic banking industry in the country. According to him, this top up modification was first introduced by Bank Rakyat Indonesia (BRI) Syariah. After this developed widely, only then did BI see the growth of gold pawning in Islamic banks was extraordinarily fast.

When the Sharia gold pawn product was launched around 2007, there were relatively no problems. The new problem arises when the customer makes a modification called top up, or re-pawn because along with the soaring price of gold, gold pawning is increasingly in demand by the public. Pawning, which originally functioned as financing, shifted to an investment option. Initially, the community was greatly helped by this gold pawn (rahn). However, seen from the customer base of pawnshops and Islamic banks, there is a paradigm shift where gold pawning is used as a way to obtain other gold from pawning gold. This is what is then known as investing or gold gardening, which is suspected of leaving or not fulfilling the provisions of sharia pawning and changing its purpose to become a place of speculation (Abubakar, 2012).

In addition, when the due date came, the customer did not pay the money, but he re-pawned. So the gold is not redeemed. Once a customer puts in, say, 100 grams of gold, after that, every four months he gets money because he re-pawns. This means that you can get a loan continuously by only putting 100 grams of gold. This condition has gradually made the direction and initial purpose of Islamic pawn activities deviate from the spirit of Fatwa No. 25/DSN-MUI/III/2002 concerning Rahn and No. 26/DSN-MUI/III/2002 concerning Gold Rahn. In an effort to prevent Islamic gold pawning services from being far from the spirit of the fatwa, Islamic economists provide a solution, namely, limiting the frequency of re-pawning to a maximum of 3 times (Arifan, 2014).

5. Concept of Economic Value of Time

Economics recognizes the concept of the time value of money. The definition that is often used in conventional economics in explaining the time value of money is that the amount of money owned today always has a value that is more valuable than the money owned in the future, because the money received at this time will be able to be invested to obtain greater results in the future. So it can be concluded that there is a difference in the value of money today with the value of money in the future that occurs because of the element of time (Maghfiroh, 2019).

The view of Islamic economics that the concept of time value of money is not in accordance with Islam, because the time value of money adds value to money only based on the increase in time but not through effort. While the concept adopted in Islamic economics is the Economics Value of Time is a concept where time has economic value, but money has no time value. Economics Value of Time can be interpreted as maximizing the economic value of a fund at a periodic time (Fajar, 2021).

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Adiwarman considers that Economic Value of Time is a concept where time has economic value, not money that has the value of time. The basis of calculation in the Time Value of Money-based principle is interest while the basis of calculation in the Economic Value of Time-based principle is nisbah. In the Islamic concept, the ratio is the profit-sharing ratio that will be received by each party to the business cooperation contract, namely the owner of the funds (shahibul maal) and the fund manager (mudharib), where this ratio is stated in the contract that has been agreed upon and signed by both parties. Furthermore, it is judged by the term profit sharing (Elisafitri et al., 2020).

Adiwarman Karim also considers that in Islam there is no Time Value of Money, what is known is the Economic Value of Time. Time Value of Money theory is a big mistake because it takes from the science of population growth theory and does not exist in finance. Economic Value of Time is relatively fairer in calculating contracts that are profit-sharing financing. According to him, time actually does not have a separate price and is separated from the price of goods sold because time itself is not al mal (property) that can be traded, otherwise time has a price and economic value when included with the sale of other goods. This means that the time value of money actually exists indirectly (indirect) because the price is indirectly included in the price of the goods sold and the goods sold directly.

Adiwarman's concept offers a concept of Value of Time which explains that time is very valuable to produce a value, namely profit and loss sharing, profit sharing agreed upon by both parties determined at the beginning of the contract is not fixed, depending on the profit obtained from the processing of funds.

In his book he also criticizes the concept of Time Value of Money which is contrary to Islamic principles. The concept of Time Value of Money states that a dollar today is more valuable than a dollar in the future because a dollar today can be invested to get a return. In this concept interest is justified on the capital loaned Time Value of Money has been claimed by most Islamic economists as a forbidden because of the element of usury in it, while in the calculation of the concept of Value of Time is nisbah (profit sharing). Profit sharing transactions are different from buying and selling or renting transactions, because in profit sharing transactions the relationship is not between the seller and the buyer or the renter and the renter. In profit-sharing transactions, there are investors and those who produce the capital.

CONCLUSION

Adiwarman Azwar Karim is one of the Islamic economic thinkers in Indonesia. His various thoughts have contributed to the development of Islamic economics in Indonesia, especially related to Islamic banking. Adiwarman is actively involved in the Islamic economic empowerment movement through practical institutions (such as banking, consulting and so on), but on the other hand he is also concerned with efforts to lay the theoretical foundations for the development of Islamic economics in Indonesia. It appears that Adiwarman is trying to harmonize the struggle of Islamic economics practically and theoretically. Therefore, it can be said that Adiwarman places himself in a fundamentalist-intellectual-rational position.

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