

**DEVELOPMENT OF ISLAMIC ECONOMIC IDEAS BY AL-MAWARDI WITH
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fatchul.islami12@gmail.com**Abstrak**

Ekonomi Islam telah muncul sejak zaman Nabi Muhammad SAW. Islam telah mengatur sejak awal hubungan antar manusia secara utuh. Sejak zaman Nabi, kaum mujtahid Islam telah merumuskan pemikiran ekonomi Islam berdasarkan Al-Qur'an dan Hadits. Penelitian ini mengeksplorasi pemikiran ekonomi Islam melalui tokoh Muslim Al-Mawardi dan Monzer Kahf. Penelitian ini menggunakan pendekatan kualitatif deskriptif dengan menggunakan studi literatur pengumpulan informasi dan data yang bersumber dari berbagai perpustakaan seperti artikel jurnal, buku, internet, dan hasil penelitian sebelumnya yang bertujuan untuk memperoleh informasi. Hasil penelitian menunjukkan bahwa Al-Mawardi merumuskan ide-ide ekonomi Islam seperti pembentukan imamah, infrastruktur oleh negara, pemenuhan kebutuhan oleh negara, pengeluaran untuk pelayanan publik yang dibiayai oleh negara, dan pembentukan baitul Mal. Sedangkan Monzer Kahf merumuskan ide-ide ekonomi Islam seperti kegiatan ekonomi dengan prinsip-prinsip Islam yang dijalankan oleh ibadurrahman, skala dimensi tidak hanya dunia tetapi juga akhirat, bebas dari riba, pola konsumsi yang tidak berlebihan, dan negara sebagai pembuat kebijakan dan pengawasan.

Kata Kunci: *Al-Mawardi; Ekonomi Islam; Monzer Kahf; Kebijakan Ekonomi***Abstract**

Islamic economics has emerged since the time of the Prophet Muhammad SAW. Islam has regulated from the beginning the relationship between humans entirely. Since the time of the Prophet, the mujtahids of Islam have formulated Islamic economic Thinking based on the Qur'an and Hadith. This research explores Islamic economic thought through Muslim figures Al-Mawardi and Monzer Kahf. This research uses a descriptive qualitative approach using a literature study of collecting information and data sourced from various libraries such as journal articles, books, the Internet, and similar previous research results aimed at obtaining information. The results showed that Al-Mawardi formulated Islamic economic ideas such as the establishment of imamah, infrastructure by the state, fulfillment of needs by the state, spending on public services financed by the state, and the establishment of baitul Mal. while Monzer Kahf formulated Islamic economic ideas such as economic activities with Islamic principles run by ibadurrahman, the scale of the dimensions of not only the world but also the afterlife, free from usury, consumption patterns that are not excessive, and the state as the maker of policy and supervision.

Keywords: *Al-Mawardi; Economic Policy; Islamic Economic; Monzer Kahf*

Introduction

The development of the Islamic Economy cannot be separated from the development of Islamic history. The development of the Islamic Economy that has existed since 600 M is not well known to the public. The Islamic economy has received less attention because the public does not get adequate information. Economic Thinking Islam began as early as Muhammad Saw. Furthermore, these policies made guidelines by the caliphs as his successor in deciding economic problems. Al-Qur'an and Hadith, the basis of economic theory by the caliphs, were also used by his followers in organizing the country's economic life (Apriyana & Tanjung, 2022).

Islamic economics applies the concept of sole proprietorship derived from Allah. Property or objects owned by humans are in the form of entrustment given to us so that the property is used following the instructions and provisions Allah has mandated. The development of the Islamic economy is a form of effort in translating Islam as rahmatan lil' alamin through a long process and will continue to develop following the times. The emergence of the Islamic economy in the current era has paid off with many re-enactments of the Islamic economy in the realm of modern business (Apriyana & Tanjung, 2022).

Islamic economics as a modern scientific study only appeared in 1970. Islamic economic thought when Islam was passed down through Prophet Muhammad. The Quran and hadith became the primary basis for formulating Islamic economic thought. After that time, many Muslim scholars contributed works of economic thought. Their works were very weighty. That is, they had a strong religious and intellectual basis for argumentation and were mainly supported by the empirical facts of the time (Hasibuan, 2021). Many of these are also futuristic in that Western thinkers have only studied them hundreds of centuries later. At that time, the Islamic world experienced a peak of glory in various fields (Rahim, 2020).

Economic Thinking as a science inherent to fiqh is not new. According to Nejatullah Siddiqi, chronologically, the history of Islamic economic thought can be grouped into three periods. The first period marked the emergence of Islamic economic thinkers up to 450 H, such as Abu Yusuf, Al-Shaibani, Abu Ubaid, Yahya ibn Umar, al-Mâwardi, and Ibn Hazm. Second-period intellectuals were born, such as Al-Ghazali, Ibn

Taymiyah, and Ibn Khaldun. The third period of scholars such as Shah Waliyullah, Muhammad Ibn Abdul Wahab, Muhammad Abduh, and Muhammad Iqbal. The next period was when many contemporary thinkers formed the school of thought in Islamic Economics (Qoyum et al., 2022).

In the 10th century, the Islamic world entered a period of internal conflict during the Abbasid Dynasty. The rule of Abbasid Dynasty at that time was under the rule of Bani Buwaih. The Caliph's situation was worse than before, mainly because the Banu Buwaih were adherents of the Shi'a sect. Nevertheless, in science, the Abbasid Dynasty continued to progress in this period. It was during this time that great thinkers emerged, such as al-Farabi, Ibn Sina, al-Biruni, Ibn Maskawaih, and the study group of the Ikhwan al-Shafa. The fields of economics, agriculture, and trade are also progressing. The construction of mosques and hospitals also followed this progress. When the Banu Buwaih came to power in Baghdad, there had been several sectarian riots between Ahlussunnah and Shi'a, army uprisings, and so on. During this time, al-Mawardi was born, grew, developed, and worked (Rahim, 2020).

Al-Mawardi lived in the early days of the political decline of the Abbasid Dynasty. At the time, the conflict between Ahlussunnah and Shi'a was at its peak. The ruler was more supportive of the Shi'a tradition, while the people were more likely to contradict the sect professed by the ruler. When the Banu Buwaih came to power in Baghdad, there had been several sectarian riots between Ahlussunnah and Shi'a, army uprisings, and so on. It is this social sensitivity, perhaps, that colors al Mawardi's complexion of thought. On the one hand, political conditions are in decline, marked by internal conflicts; But on the other hand, science continues to progress (Rahmawati, 2018).

Method

The research will try to compare the thought of the 10th-century thought of Al-Mawardi with the thought of 19th-century Monzer Kahf. Researchers are trying to find the idea of Islamic economic thought. Whether with the interlocking of time, there is a difference in the level of the problem. With this research, it is hoped that it can become a literature study for readers to add scientific insight into Islamic thought. The research uses a descriptive qualitative approach. The literature study approach collects

information and data from various libraries such as journal articles, books, the Internet, and supporting previous research. The study aims to compare economic thought in the 10th-century Al-Mawardi, and the 19th-century Monzer Kahf Data collection techniques are carried out by reviewing books, literature, notes, and reports related to the object of study. (Sugiyono, 2013)

Result and Discussion

Al-Mawardi

Biography of Al-Mawardi (364-450 H). Abu Al-Hasan Ali bin Muhammad bin Habib Al-Mawardi Al-Basri Al-Shafi'i was born in Basrah in 364 H. After two years of education in Basrah and Baghdad, he traveled to various Islamic countries to study. Among Al-Mawardi's teachers were Al-Hasan bin Ali bin Muhammad Al-Jabali, Muhammad bin Adi bin Zuhar Al-Manqiri, Ja'far bin Muhammad bin Fadhl Al-Baghdadi, Abu Al-Qasim Al-Qusyairi, Muhammad bin Al-Ma'ali Al-Azdi and Ali Abu Al-Asyfarayini (Irawan & Wahyu, 2020).

Al-Mawardi lived during the reign of two caliphs: Al-Qadir Billah (380-422 H) and Al-Qa'imu Billah. Al-Mawardi's lifetime was marked by the atmosphere and conditions of political disintegration in the government of Daulat Bani Abbas. At that time, Baghdad, the seat of Bani Abbas's government, could not stem the flow of the desire of the regions it controlled to break away from Bani Abbas and form an autonomous region. Eventually gave rise to minor dynasties that were independent and unwilling to submit to Abbas's rule.

With the breadth of his knowledge, one of the significant figures of the Shafi'i Mazhab is believed to hold the position of a qadi (judge) in various countries. After that, Al-Mawardi returned to Baghdad for some time and was appointed as Chief Justice during the reign of the caliph Al-Qaim bi Amrillah Al Abbasi.

Despite living in a time when the Islamic world was divided into three mutually hostile dynasties, the Abbasid Dynasty in Egypt, the Umawiyah II Dynasty in Andalusia, and the Abbasid Dynasty in Baghdad, Al-Mawardi gained a high position in his time. The leaders of Bani Buwaihi, as the power holders of the Baghdad government, made it their mediator with their enemies (Putri & Zainuddin, 2022).

Despite being a judge, Al-Mawardi remained active in teaching and writing. Al-Hafidz Abu Bakr Ahmad bin Ali-Khatib Al-Baghdadi and Abu Al-Izz Ahmad bin

Kadasy were two disciples of Al-Mawardi who produced works of knowledge. A large number of scientific works covering various fields of study and high value have been written by Al-Mawardi, such as Tafsir al-Qur'an al-Karim, al-Amtsal wa al-Hikam, al-Hawi al-Kabir, al-Iqna, al-Adab ad-Dunya wa ad-Din, Siyasah al-Maliki, Nashihat al-Muluk, al-Ahkam ash-Shulthaniyyah, An-Nukat wa al-'Uyun, and siyasah al-Wizarat wa as-Siyasah al-Maliki. By endowing these valuable papers, Al-Mawardi died in the month of Rabiul Awal in 450 H in Baghdad at 86 years old.

Al-Mawardi's economic thought is written in three works, Kitab Adab Ad-Dunya wa Ad-Din, AlHawi, and Al-Ahkam as Sulthaniyyah. In the Book of Adab ad-Dunya wa ad-Din, he describes a Muslim's economic behavior and four main livelihood types of livelihoods, namely agriculture, animal husbandry, trade, and industry. In the Book of Al-Hawi, in one of its sections, Al-Mawardi specifically discusses Mudharabah from the view of various schools. In the Kitab Al-Ahkam as- Sulthaniyyah, he elaborates a lot on the system of government and administration of the Islamic State, such as the rights and obligations of the ruler towards his people, various state institutions, receipts and expenditures, and the institution of hisbah (Rahim, 2020).

The theory of public finance

The theory of public finance has always been related to the state's role in economic life. The state is needed because it plays a role in meeting the correlative needs of all its citizens. The problem is that this has not gone unnoticed by Islam. Al-Mawardi argued that the implementation of Imamah (religious, political leadership) is an absolute power and its formation is necessary for preserving religion and managing the world (Qoyum et al., 2022).

From an economic perspective, Al-Mawardi's statement means that the state has an active role in realizing material and spiritual goals. It becomes a moral obligation for the ruler in helping to realize the common good, namely maintaining the interests of society and economic stability and growth. Thus, like previous Muslim thinkers, Al-Mawardi viewed not only the obligations of the ruler from an economic point of view but also morals and religions. Thus, like previous Muslim thinkers, Al-Mawardi viewed not only the obligations of the ruler from an economic point of view but also morals and religions (Amri, 2016).

Al Mawardi's statement shows that his Thinking is still classical because al mawardi emphasizes economic growth. After all, classical Thinking emphasizes economic growth in contrast to contemporary Thinking, which emphasizes economic equality.

Furthermore, Al-Mawardi argued that the state should provide the necessary infrastructure for economic development and general welfare. According to him, "If living in a city becomes possible due to or malfunctioning of drinking spring facilities or the destruction of city walls, then the state is responsible for repairing them, and if it has state funds, it must find a way to obtain them." The point is that the state is obliged to regulate and finance the spending required by public services because each individual is unlikely to finance that type of service.

Thus, public services are a social obligation in funding the lease needs of State goods and services. As an illustration, Al-Mawardi stated that there are several state obligations arising from rent-based payments, such as soldiers' salaries and the cost of procuring weapons. Such obligations must still be fulfilled regardless of whether the state's finances are sufficient. If the existing funds are insufficient, the state can make loans to the public (Rahmawati, 2018).

Al Mawardi explained that the state is obliged to regulate and finance the expenditures required by public services because no individual can finance such types of services. Thus, public service is a social obligation and must lean towards the public interest. Al Mawardi's statement further reinforced the opinion of previous Muslim thinkers who stated that in procuring projects within the framework of the fulfillment of the public interest, the state could use Baitul mal funds or impose on individuals who had adequate financial resources. Al-mawardi mentioned the duty of the state in order to meet the basic needs of every citizen. The state must protect religion, enforce the law, ensure the stability of the country, maintain the boundaries of the Islamic State, provide a conducive economic climate, provide public administration, the fairness of the implementation of Islamic law, collect income from various available sources, implement new taxes, and spend baitul mal funds for the benefit of the people. (Istiqomah, 2019).

In Mawardi's view, the state is responsible for meeting the basic needs of every citizen as well as realizing welfare and economic development in general.

Consequently, the state must have financial resources to implement these responsibilities. Concerning another matter, Al Mawardi stated that the state needed to establish financial institution offices permanently when large amounts of State funds were transferred from various regions to the center.

Like the Muslim thinkers of the classical century, Al-Mawardi mentions that the sources of income of the Islamic State consist of zakat, ghanimah, kharaj, jizyah, and ushr. About the collection of zakat treasures, Al Mawardi distinguishes between visible wealth and hidden wealth, such as jewelry and merchandise, left to the policies of Muslims (Istiqomah, 2019).

Furthermore, Al Mawardi argued that if the sources of state revenue are unable to meet the needs of the State budget or there is a budget deficit, the state is allowed to set new taxes or make loans to the public. Historically, this was once done by the Prophet Saw to finance the interests of war and other social needs during the early days of Medina's reign.

According to Al Mawardi, public loans should be linked to the public interest. However, not all public interests can be financed by public loans. He argued that there are two types of costs for the public interest: costs for implementing mandatory functions of the state and costs for the public interest and public welfare. Public loan funds are only made to finance various goods or services leased by the state within the framework of mandatory functions. As an illustration, Al Mawardi stated that there are several State obligations arising from rent-based payments, such as the salaries of the soldiers and the cost of procurement of weapons. Such obligations shall remain fulfilled regardless of whether the state's finances are sufficient. The state may make public loans to fulfill these obligations if insufficient funds exist. As for the types of obligations that are more about improving the community's welfare, the state can provide financing derived from other funds, such as taxes (Hasibuan, 2021).

Al Mawardi's statement also indicated that public loans are made if they are supported by existing and future economic conditions and are not intended to be consumptive. In addition, public loan policy is the state's last solution in dealing with the budget deficit.

Tax

As was the trend in classical times, the issue of taxation also did not go unnoticed by al-Mawardi. According to him, the assessment of Kharaj should be based on the factors that determine the ability of the soil to pay taxes, namely soil fertility, crop type, and irrigation system. Furthermore, he explained why these three factors influence Kharaj's judgment. Soil fertility is a significant factor in conducting Kharaj's assessment because the amount of production depends on it. The type of plant also affects the assessment of kharaj because different types of plants have different price variations (Nashihah, 2018).

Besides these three factors, al-Mawardi also revealed another factor, namely the distance between the land that is the object of kharaj and the market. This latest factor is also very relevant because the high-low prices of various types of goods depend on the distance of the land from the market. Thus, in al-Mawardi's view, "justice will only be realized against the taxpayers if the tax collectors consider at least four factors in assessing a Kharaj object, namely soil fertility, crop type, irrigation system, and soil distance to market."

Regarding the method of determining Kharaj, al-Mawardi suggested using one of the three methods ever applied in Islamic history (Nashihah, 2018) :

1. The Misahah method, which determines kharaj based on the land's size, is a fixed tax, regardless of whether the land is planted or not, as long as the land can indeed be planted.
2. The method of determining kharaj is based on the size of the cultivated land alone. In this method, unmanaged fertile soil is not included in the assessment of kharaj objects.
3. The Musaqah method is a method of determining kharaj based on a percentage of the production yield. This method levies the tax after the crop has undergone a harvest period.

So that it can be concluded, That the determination of kharaj al mawardi agrees with the Misahah method used by abu ubaid, besides that al mawardi adds one factor that must be taken into account in the determining kharaj, namely the distance between the land that is the object of kharaj and the market (Suryana et al., 2019).

The first method Muslims use in applying kharaj is the Misahah method. This method was first during the time of caliph Umar ibn Khatab based on the input of friends who conducted surveys. At this time, taxes are set annually at different levels on a fixed basis on each land that is potentially productive and has access to water, even if it is not planted, so that the income received by the state from this type of tax is also fixed. Through this method, Caliph Umar wanted to guarantee state revenues every month for expansion while ensuring that farmers did not evade paying taxes under the pretext of low production (Diana, 2017).

The second method was also applied during the time of Umar. This method's imposition of taxes is carried out in certain areas only, especially in Shia. The most recent method, Muqasamah, was first applied during the Abbasid Dynasty, particularly during the dynasties of Al-Mahdi and Harun ar-Rasyid.

Baitul Mal

Al-Mawardi stated that to finance state spending to meet the basic needs of each country needs to meet the basic needs of each of its citizens. The state needs a state financial institution (Baitul Mal) permanently. Through this institution, state revenues from various sources will be kept in separate posts and spent according to their respective allocations. About Baitul Mal's estate, Al-Mawardi asserted that if certain postal funds were insufficient to finance his planned needs, the government borrowed the spending from other posts. Each province's Baitul Mal revenue is used to meet the financing needs of its respective public. If there is a surplus, the governor sends the remaining funds to the central government. On the contrary, the central or provincial government that obtained the surplus had to transfer part of Baitul Mal's property to the deficit areas (Diana, 2017).

Al-mawardi asserted that Baitul Mal's responsibility is to meet the needs of the public. Baitul Mal's responsibilities are classified into two things (Janwari, 2016):

1. Liability arising from the various possessions held in Baitul Mal is a mandate to be distributed to those entitled.
2. Liability arises along with income, an asset of the baitul Mal wealth itself.

Al-Mawardi categorizes Baitul mal the functions as follows; the first category of responsibilities of Baitul Mal is related to the state revenue derived from almsgiving. The allocation of alms income for people is not used for general purposes, so the state is

given the authority to regulate income following what has been regulated in Islam. Thus the first category of responsibility is fixed and minimum spending.

Then the second category of responsibility is related to State revenue derived from Fai. According to al-Mawardi, all types of wealth that belong to Muslims and not individuals are specifically part of baitul mal property. Therefore, the fai income reserved for all Muslims is part of the Baitul Mal property. Furthermore, al-Mawardi classifies this second category into two things (Sriwahyuni, 2017).

First, the responsibility arises instead of the value received (badal), such as for payment of salaries of soldiers and financing of procurement of weapons. The implementation of this responsibility results in costs that must be incurred by the government, regardless of the amount.

Second, the responsibility that arises through assistance and the public interest. Al-Mawardi stated that the exercise of this type of responsibility relates to the existence of the Baitul Mal fund. If there are sufficient funds from Baitul Mal, then implementing that responsibility becomes all Muslims' social responsibility (fardh kifayah).

In addition to establishing the responsibility of the State, al-Mawardi's description also shows that the basis of public spending in the Islamic State is Maslahah (public interest). The state is only authorized to spend the property of Baitul Mal in the interests of maslahah and progress.

Regarding the distribution of zakat income, al-Mawardi stated that the obligation of the state to distribute zakat assets to the poor and poor is only to free them from poverty. There is no limit to the specific amount to help them because 'fulfillment of needs' is a relative term. It may be free from 1 Dinar to meet ends, while others may need 100 dinars (Suradi & Bustami, 2022).

In addition, al-Mawardi argued that zakat should be distributed in the area where the zakat was taken. The transfer of zakat to other regions is only allowed if all groups of mustahik zakat in the region have been adequately accepted. If it is surplus, those most entitled to receive it are the nearest region where the zakat is taken. Al-mawardi ensures the distribution of property runs smoothly and on target. A state must empower the Hisbah Council. In this case, one of Muhtasib's functions is to address the needs of the public and recommend the procurement of projects for the general public. Al-mawardi emphasized that if the city's drinking water procurement mechanism is

damaged, the Muhtasib (hisab officer) must repair the drinking water system, reconstruct the walls and provide financial assistance to the poor because this is the obligation of baitul Mal, not the obligation of the community.

In addition to outlining theories about public spending, Al-Mawardi understood the economic impact of diverting income through public policy. He stated: "Any decline in public wealth is an increase in the wealth of the State, and any decrease in the wealth of the State is an increase in public wealth." Thus, according to al-Mawardi, public spending, as with taxation, is an effective tool for diverting economic resources. Al-Mawardi's statement also hinted that public spending would increase people's overall income (Apriyana & Tanjung, 2022).

Monzer Kahf

Monzer Kahf was born in 1940 in Damascus, the capital of Syria. Monzer Kahf is an American citizen and lives with his wife and children in Westminster, California. He was one of the Muslims who dedicated his life to developing Islamic economic thought and the financial system. The educational history of Monzer Kahfi is his primary and secondary education in an educational institution in Damascus. Monzer Kahf graduated from the University of Damascus in 1962 with a bachelor's degree in commerce and received a direct award from the Syrian president through his best graduate (Qoyum et al., 2022).

In 1967, Monzer Kahf received a master's degree in social and economic planning from the UN Development Programme in Syria. In March 1975, Monzer Kahf earned a doctorate in economics from the University of Utah, Salt Lake in Utah in financial and economic development. Monzer Kahfi is known as an economist, and consultant, lecturer.

Monzer Kahf's career path is shown below (Ubaidillah, 2018):

1. Monzer Kahf was an active teacher at the School of Business University of Damascus from 1962 to 1963.
2. Monzer Kahf worked as an auditor at the Government's National Audit Office from 1963 to 1971.
3. Monzer Kahf was an assistant professor of economics at the University of Utah from 1971 to 1975.

4. Monzer Kahf was a member of the American Economic Association from 1974 to 1999.
5. Monzer Kahf served as Chief Financial Officer of the Islamic Association of North America, National Zakat Fund Manager, and Chief Financial Officer of the North American Islamic Foundation from 1975-1981.
6. Monzer Kahf was a founding member of the International Muslim Economic Association of the United States and Canada and the Association of Islamic Sociologists in 1980.
7. Monzer Kahf worked as an economist from 1985 to 1999.
8. Monzer Kahf was head of the department from 1989 to 1991.

Monzer Kahf's Economic Thought Set in Western economic education, Monzer Kahf's thought is more Neoclassical: this is similar to the thought of Muhammad Abdul Mannan and Nejatullah Siddiqi known as the Mainstream School. Kahf's unique contribution is to include Islamic social finance (zakat and almsgiving), an Islamic distribution institution, in the economic aggregate calculation of income, consumption, deposits, and investment (Irham et al., 2022).

Some of Monzer Kahfi's views on economics, such as Islamic economics, can be considered a sector of the economy and can be studied based on the Islamic paradigm (that is, axioms, value systems, and ethics). Monzer Kahfi's views tried to criticize some Islamic economists. Other groups of economists have tried to emphasize the difference between Islamic economics and Western economics. Unfortunately, some groups still do not understand that there are differences in philosophy and principles, not the methods used.

Monzer Kahf argues that Islamic economics includes orders and prohibitions and the status of Islamic economics in science and classification. It is inseparable from its philosophy, principles, concepts, axioms, and practical effects. Monzer Kahf tried to criticize the views of other groups that equated the Islamic economic system with fiqh muamalat. Such a view would narrow the perspective in an Islamic economy that seems to contain only orders and prohibitions. Where in reality, Islamic economics also discusses the theory of consumption, production, and distribution (Irham et al., 2022)

Speaking of human behavior, Kahf views that Islamic economics is not built on the concept of 'rational economic man' like the concept adopted in conventional

economics. Islamic economics is an economy that is run with the view of Islamic man or ibadurrahman, which has the following characteristics (Kahf & Mohomed, 2016):

1. Everything belongs to Allah Almighty. The people are caliphs and must obey Allah's commandments and laws. This idea is related to the constitutional structure of the Islamic economic system that it initiated. The ownership that man glorifies is his ownership and the property of Allah Almighty. The implementation of Monzer Kahfi's idea is depicted as a person who owns the land and uses the land to share the proceeds. The ownership of this land will be assessed as harmful if the owner is greedy and does not use it for his function.
2. Because God is omnipotent, only God's law can be fulfilled. If implemented, an economic system based on Islamic law should be followed
3. Life on this earth is temporary, so there must be rules that can "maximize" function to the maximum but must be based on a return to the future and the benefits of this world. Work is a virtue, and laziness is a bad thing.

Basic Assumptions of Islamic Economics Monzer Kahf

a. About Islamic Man

According to Kahf, Muslims do not have to be Muslims. However, if the person wants to accept the Islamic paradigm, he can be called an Islamic Man. The three pillars are (Agusti, 2021):

1. All things belong absolutely to God; Mankind is His Caliph.
2. God is one only God's law can be enforced.
3. Work is a virtue; therefore, an attitude of self-improvement is necessary.

b. About the State

For him, the state is a plan-maker and overseer. Kahf mentions three objects of State policy (Agusti, 2021):

1. Maximization of the level of use of natural resources.
2. Minimize the occurrence of distribution gaps.
3. Make regulations for economic actors to ensure the observance of "government regulations."

The state uses fiscal and monetary policies, means of production and distribution, and legal force to achieve all three. "Islamic Man" and the State,

Monzer Kahf Theory of Consumption

The results of Monzer Kahf's thoughts in formulating the theory of consumption are as follows (Hakim, 2015) :

a. Islamic rationalism

One of the most freely used terms in economics since everything can be rationalized once we refer it to some relevant set of axioms

The main elements of rationalism include three concepts, namely:

1. The concept of success. He quoted from the opinion of M. N. Siddiqi that "Success lies in goodness, the higher, the better, the more successful." Whereas in Islamic terms, kindness means being optimistic about the lives of oneself and others.
2. The time scale in consumption behavior. The time scale of consumption behavior. There are two things related to the time scale of consumer behavior, namely direct and indirect effects. Direct effects can be felt in the world, while indirect effects are obtained later in the afterlife;
3. The Concept of Treasure. Islam views wealth as a gift from Allah. In the hadith of the Prophet, "poverty brings people closer to innocence." The believers described by the Qur'an are people who, when spending their wealth, do not overdo it, do not cause ugliness, but maintain a balance between these attitudes.

b. Ethics of Consumption in Islam according to Kahf

Monzer Kahf developed his Thinking on consumption by introducing Final Spending (FS) as a standard variable in looking at the maximum satisfaction obtained by Muslim consumers. One of them begins by looking at the assumption that the institution of zakat is part of the socio-economic structure. Kahf assumes that zakat is a must for muzakki. Therefore, although zakat is a spending that provides benefits, because of the fixed nature of zakat, it is assumed outside the Final spending.

Kahf Production Theory

Monzer Kahf in formulating production is based on several scientific reasons as follows (Sriwahyuni, 2017):

- a. The motives of production, i.e., the taking advantage of each particle from the universe, are the ideological goals of the Muslims.
- b. The goals of production are as man's efforts to improve his material condition and morals and as a means to achieve his goals in Doomsday. Business entities' purpose in maximizing profits on behalf of business entities must not violate the "rules of the game in the Islamic economy."
- c. Production Factors
- d. Capital as accumulated work
- e. Property rights as a reasonable result

The market structure according to Monzer Kahf

Not only discussing production consumption, but Monzer Kahf also formulated the idea of market structure as follows (Nailul Izzah, 2021):

- a. Freedom, The structure of the market is determined by free cooperation. The Islamic economy is free, but its freedom is shown more in competition (competition). Indeed, cooperation is a common theme in Islamic social organizations. Individualism and social care are so closely intertwined that working for the welfare of others is the most hopeful way to develop one's usefulness and get the blessings of Allah Almighty.
- b. Government involvement in the market. Government involvement in the market is only at a specific moment or is temporary. The Islamic economic system regards Islam as something that exists on the market together with other electronic units on a fixed and stable basis.
- c. The rules of the game "Islamic economics." Social institutions are structured to direct individuals to implement these rules and control and supervise this appearance correctly. The enactment of these rules forms an environment in which individuals carry out their economic activities. The rules themselves are rooted in the conceptual framework of society about the Supreme Power (God), life, the fellow man, the world, fellow creatures, and man's ultimate goal.

Monetary Sector

The economic policy aims to maximize the use of resources, shrink the economic gap by banning the accumulation of property by only a few people, and

implement fair transaction rules. In Islamic history, we know the legal apparatus of al-hisbah. Kahf proposed several instruments (Agusti, 2021):

- a. Monetary instruments include maintaining the exchange rate and financing using zakat funds so that interest-free transactions can be carried out.
- b. The government can regulate fiscal instruments in terms of revenue and state spending, including taxes and subsidies.
- c. Means of production, this policy influences the private sector in terms of allocating resources.
- d. Distribution tools. Islam has zakat instruments that can be used to drain wealth.
- e. The implementation of the law using instruments that can be used is the institution of supervision of al-hisbah and the institution of the court.

Conclusion

Al-Mawardi's economic thought is reflected in his work entitled *Adab al-Dunya wa al-Din*, *al-Hawi al-Kabir*, and *al-Ahkam al-Sulthaniyyah wa Al-Diniyah* Region. Al-Mawardi's economic thought states that the State and economic activity have a robust correlation. State relations and economic activities are first the establishments of *imamah* is a necessity for preserving religion and the interests of society and maintaining economic stability and growth. Second, The State must provide the necessary infrastructure for economic development and general welfare. Third, States are responsible for meeting the basic needs of every citizen. Fourth, states must regulate and finance the expenditures needed for public services. Fifth, States can use funds *Baitul Mal* or impose on wealthy individuals to fulfill the public interest. In addition, al-Mawardi states that in certain circumstances, the state is allowed to establish taxes or make loans to the public. Monzer Kahf sees Islamic economics as an economic activity that has Islamic principles and is run by Islamic men (*ibadurrahman*). The scale of the time dimension in economic activity includes the life of the world and the afterlife. It should carry out economic activity ushering in the pleasure of Allah SWT. Islamic economy, in its implementation, is free from usury transactions and consumption patterns that are not excessive. The state is asked to be present with its various policy tools and carry out supervision and justice to ensure that Islamic economic rules are correctly implemented.

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