

ECONOMIC DEVELOPMENT ACCORDING TO ISLAMIC UNDERSTANDING

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Abstract: Economy is considered as the most important development of global strategy in economic system or a country. Therefore, economic development is the main indicator of public anxiety. Although some of it, development in trade skills, science and knowledge has been obtained, and remains full of other affairs in various countries. The purpose of this analysis is to clarify a trade affair in influencing Muslim trade. This analysis uses an influential theoretical analysis method and the law is closely related to theoretical writings and other references, in the social situation studied, namely the customs and norms that apply. According to the opinion of this analyst, economic development becomes the view of Muslims with regard to traditional Islamic science. It seems that instructions regarding this law are enforced directly or indirectly and written by previous scholars in the Qur'an, As-Sunnah. The specificity of increasing and increasing Islamic trade is seen from a more increasing view of human development that is developed and the strengthening of supporters to maintain one's rank and level. And this does not only take from monetary needs alone, but also from the goal of planning the needs of the afterlife.

Keywords: *Economic Development, Equality, Welfare, Understanding of Islam.*

Introduction

Economic development is one of the main aspects of the other economic systems and the overall health of the country. Globally, namely economic development that increases economic desires and activities. (Bakar, A. (2020)) based on the real related that economic development in general over the past twenty years has brought two very important impacts: the first is that the world population brings the development of the number of people looking for new jobs, the second is the development of the world population. Thus, the fields of economics, science and technology that have been achieved will advance and many other problems in various countries will experience a decline on the other side. Patadireja, 1984. Now is the largest population in the world today is experiencing shortages, anger, anger, and life. In addition, related to the financial

crisis and various life tests. And related to the overall financial crisis that is happening, which has shaken the economic circles in various countries (Fardiansyah, M, & Utomo, Y. T. (2023)).

The current trade anxiety in Muslim countries should not be caused by business practices that violate Islamic law such as monopoly, bribery, and irregularities and so on. If their business superiors pass through the Islamic economic line, they will not be confused if the economic chaos we observe is human behavior. (Gunawan, M. H. (2020)). In accordance with the word of Allah SWT in Surah Ar-Rum verse 41:

ظَهَرَ الْفَسَادُ فِي الْبَرِّ وَالْبَحْرِ بِمَا كَسَبَتْ أَيْدِي النَّاسِ لِيُذِيقَهُمْ بَعْضَ الَّذِي عَمِلُوا لَعَلَّهُمْ يَرْجِعُونَ

Which means: "Corruption has appeared on land and sea because of the deeds of human hands. (Through that) Allah makes them taste some of (the consequences of) their deeds so that they may return (to the right path)."

Chapra's research said that the lack of trade. The pillars of *aissez-faire* and the logic of this law are already clearly visible. Growing trade that in principle cannot be constant to the level of full-time employment and success is very ironic, broken down according to the beauty that many of these economic sciences are conventional, lack of new thinking, in based on examples in the field of economics and mathematics that are increasingly used in evaluation and prediction in the field of trade are providing the ability to create describe, observe or verify. change the term of trade based on the perspective when the time comes. The word formulator of the first trade rules works on the theories above Keynes said that in the current conditions we fall into the trickery of the implementation of trade rules and capitalists with a lack of energy. To read according to the instructions there has explained that the conventional economic system that currently exists is in trouble and is re-evaluated.

back I can observe the alarm clock from every angle. currently many contemporary economists and entrepreneurs are skeptical of the implementation of economic theory. According to Kursyid Ahmad at the beginning of the project many parts were aware that the theories published from the experience of Western formation were less than satisfactory and inappropriate (Iltiham, M. F., & Nizar, M. (2020)). Someday we need an economic theory that is not only able to implement our economic development goals, but also flexible enough to be implemented in every country in this place. Likewise, the theory must be able to minimize, if not completely eliminate, the negative effects and the work and work that is made the concept also needs to obtain the priority of human dignity without supporting moral principles. This analysis stores information about how Islamic teachings relate to economic development. This theory is not realized to be implemented only in countries with most Muslims, it can also be done for all nations around the world,

Research Method

This analysis is a literature analysis whose material comes from literature sources, namely literature review through literature examination. Literature analysis (library research) is closely related to theoretical studies and other supports. Which relates to values, culture, and norms that grow in the social atmosphere being studied. This analysis is originally also quoted as conceptual analysis or namely thinking that cannot be separated from the philosophical strategy of language research and conceptual research. Linguistic analysis is used to find the real meaning, while conceptual research is used to get keywords that replace an idea.

In this study, descriptive analysis is used to explain and clarify the main research subject, the theory of economic growth. By considering the opinions of economics, religion, and culture, this study has succeeded in attracting attention. The result is easier to understand. Deductive analysis, on the other hand, can be used to reach conclusions, in this analysis, all relevant information is extracted to

reach certain conclusions. Interdisciplinary methodology, known as approach, is used depending on the purpose, topic, and methodology of the research. In other words, a problem is studied from the perspective of two or more departments, and the research findings are then presented in the form of a complete thesis. Therefore, the question of the state of the contemporary economy is compared to Islamic economic theory.

Results and Discussion

Understanding Economic Development

Most people believe that Western economic thought is the main source for understanding modern economic trends, which can only be understood through the lens of economic mathematics. Economic growth occurs when the amount of goods and services produced by a society increases, followed by an increase in individual wealth. In simple economic planning, economic growth refers to the growth of a country's public finances. This growth includes improving infrastructure, increasing the number of schools, production and quantity of manufactured products, making current economic plans, and other related developments. Macroeconomic analysis refers to a country's economic growth compared to the export of gross domestic product (GDP) or the GDP of other countries.

After analysis, the above ideas show that changing the direction of economic development to an industrial economy, which allows for maximum productivity growth, is the main priority of economic growth. Therefore, the role of individuals and the country's total foreign exchange reserves are considered "fundamental" indicators of growth. Al-Tariqi argues that there are several reasons why it is important to continue talking about the current economic conditions. First, growth research shows that the relevant theories come from analyses influenced by liberal capitalist ideology. As a result, growth theories change according to the results of the British free economy. The West is another state. In other words, the situation in Muslim countries is not sufficiently

described by the current perspective. In the fourth analysis, they turn to their history to consider the situation in Muslim countries as "old things". Islam did not produce a certain quality or tendency of progress. Therefore, Islam has been described as the greatest power in history for a long time. studying how growth gradually spreads through a country or population so that it can be generalized to changes in social, economic, and political conditions. (Widiaty, E., & Nugroho, A. P. (2020))

According to Latifah, E., & Abdullah, R. (2022), most of the theories taught in the West are based on hypotheses that originated in the West, which have their own way of seeing the world in a different way. As a result, they cannot be considered applicable to the Islamic world. This is an eternal idea that is not affected by time or place. The theory fails to solve the problems of developing countries because of its weak premise. However, it is not certain that there are some things that are the same as the general desires of Muslims. Therefore, we must not only accept this material and implement it in countries that are mostly Muslim, but we must also reject it. Using common epistemological language and a critical-constructivist writing style, it is important to distinguish which organizations apply Western principles and which organizations apply Islamic principles.

Economic Development in Islam

Islam places great emphasis on increasing economic growth within the framework of traditional Islamic economic principles. As the meaning of the excerpt from Surah Hud verse 61, which reads:

.....هُوَ أَنشَأَكُم مِّنَ الْأَرْضِ وَاسْتَعْمَرَكُمْ فِيهَا فَاسْتَعِزُّوهُ ثُمَّ تُؤْبَإِ إِلَيْهِ.....

Meaning: ...“He has created you from the earth (soil) and made you its prosperity”...

In other words, we believe that Allah (SWT) created us as servants to take care of our bodies. As conveyed by Ali bin Abi Thalib to a governor in Egypt: "It is important to consider the welfare of society as a whole in the taxation system, because taxes can only be optimal if the welfare of society is also guaranteed. Whoever collects taxes in a developed country, then the country will be destroyed.

Islam defines economic development as a continuous process influenced by the main economic resources that can provide benefits for the welfare of humanity. Therefore, according to Islamic understanding, economic development is seen as the main indicator of welfare (Nizar, M. (2017)). A factor of production that results in limitations should not be considered a barrier to economic development, for example, if the production of a good or service produced has a negative impact and is detrimental to humanity.

On the other hand, economic transformation also involves productive activities which include everything that is closely related to distribution equality. Development, both in the context of human development and growth, generally occurs in a broader scope, including spiritual and material aspects. In other words, this is not only related to economics in human life as already understood, but also includes social, political, legal and religious values. Based on this conclusion, the aim of economic activity is to strengthen a sense of tolerance, build friendship, advance human rights (HAM), and improve human welfare (Nizar, M. (2018)). In an Islamic perspective, multidimensionality is one of the characteristics of economic development which emphasizes qualitative and quantitative aspects. Which is not only aimed at global material prosperity, but also includes prosperity in this world and the hereafter. Islam views that every individual must be treated equally.

Islamic Economic Development Model

If we examine the available evidence, we can see that Islamic economic principles have an impact on important aspects of the global economy, including the British economy, both in terms of capitalism and socially. However, what is more emphasized in Islamic economics is the principle of ethics, morals, and norms in assessing individual performance. Therefore, the wisdom of a Muslim is not only focused on studying the material world, but also understanding its spiritual foundations. Islam defines the welfare or "maslahat" of an individual by describing the equation " $U = u$ " (M, S). Where M refers to the materialistic consumption of all goods, while S refers to all spiritual activities. Reaffirming that Islam views that every individual must be treated equally.

In other words, Islamic economics must be able to answer the question, whether "overall economic development" or "development with justice" is the main focus in this economic system. According to Nizar, M. N. M. (2016), the answer to this question is that Islam requires both of these characteristics simultaneously. Both development and justice are equally necessary, whatever the main focus, whether economic growth or social justice, both must go hand in hand in the Islamic economic system. Islam does not support economic growth alone because of necessity, but rather emphasizes the balance between the two. Therefore, economic development is not the main focus. In another example, the importance of tolerance continues to be emphasized in Islam, because the economic conditions do not directly show signs of global warming. In addition, the general public and small farmers greatly benefit from the existing factors of production and income.

Therefore, to understand Islamic economics, we need to adopt a new approach that focuses on overall social welfare, not just economic development. Thus, the main goal is not only to focus on increasing economic development and per capita income in the 19th century. Although per capita income increased, poverty and social inequality were still a problem. This shows that Islamic

economics emphasizes more on equality and social welfare, not just on achieving economic indicators alone. (Tariyah, L. (2020))

M. Umer Chapra argues that there are four key steps that need to be completed to ensure that this progress is successful. The first is to provide training and decent and affordable jobs so that they have the opportunity to get jobs. Second, to provide a fair salary system to employees, in order to protect them from work accidents, unfair dismissal, pension benefits, and other financial benefits, it is important to provide insurance. Third, to provide encouragement both physically and mentally so that they can live safely and comfortably. Finally, to regulate tax credits, and to collect and distribute Zakat, Sadaqah, and Infaq using the basis of Islamic law. (Nizar, M., & Mashuri, M. (2018))

In this effort, wealth is not a determining factor in the goal. In the excerpt of the Qur'an Surah Al-Hasyr verse 7 it has been emphasized that those who enjoy the benefits are not only the rich. "The wealth of the rich is not only circulated among the rich among you."

Al-Tariqi (2004) identified that there are several things that are important to achieve the goal of economic development. Some of these characteristics are as follows:

1. Comprehensive (al-Syumul): In Islam it is emphasized that development encompasses all aspects of human life. This is different from what is emphasized in the current system, which only focuses on social progress. Moral, economic, social, spiritual, and financial standards must be considered simultaneously, because the ultimate goal of happiness is not only with worldly wealth, but also the welfare of the world and the hereafter.
2. Balanced (Tawazun): Islamic economic development must be balanced, with a focus on fair and sustainable distribution of wealth. In accordance with the word of Allah in Q.S Al-Ma'idah verse 8: "Be just because

(fairness) is closer to piety." Therefore, it is not permissible in Islam to exploit natural resources, damage the environment, or accelerate development by utilizing public spaces or other basic infrastructure unfairly.

3. Realistic (Waqi'iyah): Islamic economics does not focus on unrealistic idealism. Its principles are designed to be applied in everyday life and address real problems faced by society. For example, Islam does not teach an economic system that will eliminate wealth disparities altogether. Rather, it teaches how to manage wealth fairly and help those in need. Nor does Islam teach an economic system that will eliminate all social problems. Rather, it teaches how to build a just and prosperous society using moral and ethical principles.
4. Justice ('Adalah): As previously explained, justice is the key to Islamic economics. In accordance with the word of Allah in Q.S. An-Nahl verse 90 which means "Indeed Allah commands to be just, to do good, and to provide assistance to relatives. He (also) forbids indecency, evil, and hostility". Economic growth should not only be enjoyed by a handful of rich people, but must benefit all members of society. The principle of justice in Islamic economics is manifested in various rules, such as the prohibition of usury, the obligation of zakat, and the encouragement of charity. The goal is to create a just and prosperous society, where everyone has the opportunity to progress and achieve prosperity.
5. Responsible (Mas'uliyah): Islam does provide protection to every individual, but this protection is not absolute. Especially in matters that prevent a person from earning a living and contributing to society, Islam does not provide unlimited protection. This is in line with the principle of sustainability, where resources must be used wisely and responsibly, without exploiting the environment (Naqvi, 2003). This principle also emphasizes that every member of society has the right to achieve

happiness, which means that they must have the opportunity to work and contribute to the common welfare.

6. Sufficiency (Kifayah): Jihad in the context of Islamic economics is not only physical warfare, but also an effort to achieve well-being and sufficiency for all mankind. This includes ensuring that basic needs are met, such as food, clothing, and shelter. In Islam, there are many examples of how people strive to achieve well-being and sufficiency for all mankind. For example, there are people who work hard to help the poor and build homes for those in need.
7. Humanitarian Focus (Ghayatuha al-Insan): Islamic economics focuses not only on economic growth, but also on the overall well-being of humanity. This includes physical, mental, and spiritual aspects. Islam encourages sustainable development that takes into account human needs, such as security and a decent environment. Islamic economics encourages development that takes into account the environment and public health.

Conclusion

Islamic economics offers a framework for understanding and promoting sustainable economic expansion. The concept has long been an integral part of Islamic teachings, embedded in the Qur'an, the Sunnah, and the writings of prominent scholars. However, in recent decades, the concept has gained increasing attention, especially amidst the challenges faced by Muslim-majority countries. The uniqueness of Islamic economics lies in its emphasis on human resource development and strengthening human nature. This means that economic growth is not only measured by economic figures, but also by improving the quality of human life, both materially and spiritually. Islamic economics encourages development that focuses on meeting basic needs, such as food, clothing, and shelter, and on developing human potential as a whole. In addition, Islamic economics emphasizes the importance of social justice and equitable distribution of wealth.

This means that economic growth should benefit all members of society, not just a few wealthy individuals. Islamic economics also encourages the sustainable use of natural resources, taking into account environmental impacts and the needs of future generations. In short, Islamic economics offers a holistic approach to economic development that focuses not only on growth, but also on human well-being and environmental sustainability. This concept is increasingly relevant in the era of globalization and climate change, where Muslim-majority countries need a more equitable, sustainable, and people-focused development model.

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