ABSTRACT

Islamic Political economy seems to be a ‘new’ discourse' in the Islamic economic discipline. Only a few intellectuals are concerned in this field. Among them are Masudul Alam Choudury, Shukri Shaleh, Mehmet Asutay and others. The causes of the least discussion related to Islamic political economy is because the discipline of this field is considered a new, compared to conventional one which exist since the 17th century. On the other hand, Chapra states that politics is one of the important factors in the development of a prosperous and just economy, the absence of political ‘interference’, no matter how the economic vision of an ideology, will never exist in society. However, the question are: is it true that Islamic political economy is a new scientific discourse in the Islamic Economic discipline?, and whether in the classical literature does not exist a scientific discourse related to Islamic political economy?. Using literature approach, and documentation methods in data collection, this paper intends to track the existence of Islamic political economic in a review of classical literature. There are several issues to be discussed: first, an overview of the Islamic political economy. Second, finding the root of Islamic political economy in the classical context. The last, an overview of the agenda of Islamic political economy at the present time. Through this study it is expected to enrich the Islamic economic discourse, and can be an alternative solution to the economic problems of the ummah.

Keywords: politics, Islamic economics, history

INTRODUCTION

Discussing Islamic political economy is certainly a very interesting. Economic politics as defined in conventional economics ‘is a term used for studying the production and trade, and its relationships with law, custom, and government, as well as with the distribution of national income and wealth. Political economy originated in moral philosophy’. [Wikipedia]. Another definition states, economic politics is “an ordinance or actions undertaken by the government to maintain the welfare of example: economic policy”.

If economic politics is defined as above, then what is the definition of Islamic economic politics itself?. Choudury explains that Islamic economic politics ‘is the study of the interactive
relationships between polity (shura) and the ecological order (market sub-system). These interactions are designed to develop human comprehension, social receptivity, and institutionalization of the shariah in the conduct life. thus shura perpetuates its existence in the midst of this unifying realization.[1] While al-Khattath defined it as the guarantee satisfaction of all primary needs (al-hajat al-asasiyah or basic needs) of each individual and meet the needs of secondary and luxury (al-hajat al-kamaliyah) according to the level of ability as individuals living in certain communities have a special lifestyle.[2] According to Suntana, is a legal policy created by a government concerning economic development to ensure the fulfillment of the needs of society by making Islamic Shari’a values as its measure. This definition rests on the term arab ‘siyasah maliyah’, and the discourse related to Islamic economic politics is broadly divided into two parts: a study of financial system management policies and natural resource management.[3] This paper will discuss several issues such as an overview of the Islamic political economy, finding the root of Islamic political economy in the classical context. And also an overview of the agenda of Islamic political economy at the present time.

A Review of Islamic Political Economy

The discourse of Islamic political economy at least can be reviewed from two aspects, namely: in terms of theory or methodology; and practical aspects. The theoretical discourse has been made by Hasanuzzaman,[4] Choudury,[5] Salleh, Assutay, Ghosh, Khan, Haqqi, [6] Aziz (1993) [7] and Rosdi. [8] Furthermore, the practical discourse is done by Salleh, Masod,[9] Akan [10]. Before that, let us refer to researches related to Islamic economic politics. Among those concerned with this discourse are Mehmet Asutay (2007a: 2007b; 2009), he stated that Islamic economics can be an alternative economic system to the world. Its approach is based on a distinctive aspect of morality possessed by Islamic economics. [11] Furthermore, Salleh and Rosdi stated that the Political Economy of Islam can be or even has been applied in order to achieve the welfare of the people. [12] On the other hand, Ghosh did research on the ontology of the Political Economy of Islam. [13] Choudury (2014; 2016) conducted a study focus on the epistemology of Islamic Economic Politics.[14] Furthermore, Khan expressed his opinion on the level of theoretical foundation on Islamic economic politics. [15]

Islamic Political Economy: A New Scientific Discourse?

According to some scholars, Islamic political economy comes into existence quite recently, though political economy itself is already an established discipline. Islamic political economy was born into academic discourse just in late1990s, while political economy was developed in the 18th century, well before the term ‘political economy’ was replaced by the term ‘economics’ in late 19th century.[16] The 18th century classical economic thinkers were the first to use the term ‘political economy’. Although this period is difficult to know exactly, it can be said that the classical period in political economy began from the publication of Adam Smith's The Wealth of Nation (1776) to John Stuart Mill's Principle of Political Economy (1848); this period lasted until the time of Karl Marx (1883) with his work Das Capital.[17] According to Kuruma, the first to introduce a scientific system into political economy was Francois Quesnay, the founder of the physiocratic school in the mid-18th century. This was followed by Adam Smith, David Ricardo, Karl Marx,
John Maynard Keynes, Joseph Schumpeter, Joan Robinson, Gunnar Myrdal and John Kenneth Galbraith. In their opinion, originally, ‘political economy’ refers to the study of the economies of states and polities. It was used to study production, buying and selling, and their relations with law, custom, and government, as well as with the distribution of national income and wealth. Today, political economy most commonly refers to interdisciplinary studies drawing upon economics, law, and political science in explaining how political institutions, the political environment, and the economic system—capitalist, socialist, or mixed—influence each other. The term political economy now encompasses a wide range of disciplines, from politics and economy to sociology, culture, law, psychology, philosophy. The study revolves around the production, distribution, and exchange of wealth and the influences of the progress of the society and the government on them.[18]

The Journey of Islamic Political Economy: From The Past to The Present Time

In classical literature, the study of Islamic economic politics can at least be traced through the scholars’ work on the theme of Islamic economics and Islamic politics. For example, the works of Abū Yūsuf and Yahya Ibn Adam in al-Kharāj, Abū 'Ubayd al-Qāsim in al-Amwāl, and Imām al-Māwardī in ahkām Sultāniyyah. Meanwhile, in the field of Islamic politics the author uses a classical literature such as Ibn Taymiyyah’s work in as-Siyāsah as-Syar'īyyah fi Islāhi ar-Rā’iyy wa ar-Ra’îyyah. Use of the two types of literature above to facilitate the analysis of political aspects of the economy. Although in the Islamic economic literature it has been inherently a political aspect (leadership).

In Abu ‘Ubayd’s work, the first chapter in question is “The right of the leader to the people and the people's right to the leader”. [19] In this chapter he cites several hadiths related to leadership, such as; first, “religion is loyalty” (ad-dinu an-nasihah). Second, “each of you is a leader, and each of you will be responsible to who is led (self, family and people) (kullukum ra’in wa kullukum mas’ulun ‘an ra’iyyatih). Third, “the worst of things is power, and the best thing is power; for those who take it right and hold it well” (bi’sa as-syai’al-imarah, wa ni’ma as-sya’i al-imarah; liman akhadaha bi halliha wa haqqiha). Fourth, Khalīfah Abū Bakar as-Siddīq pasca’s response, "I have obtained the mandate to take care of and be your leader. While I'm not the best among you guys. “…. the strongest of you is the weak by my side; so I can take away his rights. While the weakest person is strong on my side, so I can restore his rights. If I have done a good thing then help me. But if I have deviated from the right path, then straighten myself…”

Fifth, the will of Caliph 'Umar bin Khattab to the Yemeni Governor Abū Mūsa al-Ash'arī, "Truly the power lies in the form of deeds. Do not delay work until tomorrow. For if so, then all the work will accumulate so that you no longer know where to start .. In fact all the work will still be a leader can do as long as he fulfills his duties and obligations to God. If a leader feels dissipated and lulled, so does his or her people. At that time, people will feel hatred towards their leaders. ..... Therefore, establish the truth even if only sebantar. Sixth, the will of the caliph 'Ali bin Abī Talib on rights and duties, “A leader is entitled to apply the law according to the revelation Allah has sent down and he is entitled to carry out the mandate. If so, then the ummah is obliged and entitled to listen, obey and carry out all his commands ..... Truly a just leader will stop complaints to God. The unjust leader will reproduce the grievances to God. Seventh, Khalid bin
Wālib's will, "do not walk three steps to become the leader of the three factions. And do not hurt the infidels of mu'ahid (in an Islamic state who has made the covenant) even with a single stroke of needles. And do not you have the desire to be a leader among the people unjustly and falsely".

Ibn Taymiyya (166-728 AH) in his as-Siyasah, while quoting the word of Allah in the Qur'an (Surah an-Nisa'[4]: 58-59) states that trust and justice are key concepts of leadership righteousness in Islam (idzā kānat al-father qad ujibat; ada'i al-amānah ilā ahlīwa wa al-hukm al-ʿādil, fa hadzāni jimā'u as-siyāsah al-ʿādilah, wa as-as-siyāsah as- sālihah). [20] Furthermore, if one does not hold office, he is obliged to obey the leader as in (Surah Al-Maʿādah [5]: 2)

Leadership in an Islamic perspective is defined as a belief or amānah. This implies that leadership is a psychological contract between the leader and his followers that the leader will try his best to guide or guide, protect and treat his followers fairly. So the focus of leadership in Islam is to do good. [21] In Islam, there are two principles (ruknani) leadership that must be met, namely: strength; both in the physical and intellectual aspects (al-quwah and al-ʿalīm), are then accountable (al-amānah and al-ḥafīẓ), this is also reflected in the story of the Prophet Mūsa and the Prophet Yusūf in al-Qurʿān.[22]

In order to know how conditions are most beneficial, a goal-related understanding of leadership is required (qaṣdu al-wilāyah). If this is known, then a matter can be called perfect. Thus, the primary purpose of leadership is to improve human religion in order to avoid a very real loss. It is divided into two; first, the division of property among the rightful groups. second, avoiding or preventing the class from doing the transgressing. [23] To carry out leadership has two forms, namely: first, capability and job description (al-wilāyah). Second, keep the property and give it to those who are entitled. Meanwhile, the principle of giving authority has two criteria, namely: strength (al-quwwah) and amanah. [24]

Prioritizing the Best of the Best (istiʿmālul aṣlah)

It is imperative for the leader to choose his maid for the best Muslim ummah in his field. As the Holy Prophet said: [25] “Whoever chooses someone to take care of the affairs of the Muslims; he chooses, while there is still someone better (kapabel) in the field, then the voter has betrayed to Allah and His Messenger.” Another word mentions, “Whoever appoints a person with the consideration of nepotism alone (the fanaticisms of the faction), and he allows it; then he has betrayed Allah, the Messenger of Allah and the Ummah of Muʿminin”. Caliph ‘Umar bin Khattāb further clarified this matter, saying, “Whoever chooses a person to take care of the affairs of the Muslims with consideration to please a person or a consideration of kinship between them, then they have betrayed Allah, the Messenger of Allah and the Muslims”.

It is a must to give a belief to those skilled in the art. However, trust should not be given to those who ask for office. Although capable, asking for a position is the reason for prohibiting a position to the requester. [26] As the Prophet Said, “Some people entering the region of Madinah; then he asked for a position to the Messenger of Allah. Then he replied, “Surely we do not give any posts to take care of our affairs, to those who ask for office.” But there is an exception to the story of Prophet Yusūf, where he volunteered to be treasurer in Egypt, as stated in al- Qurʿān. Often, because a person's love of a child or property will have an adverse effect on the exercise of office (amānah) –although a person is actually an expert in a field, thus making him behave
treason; with corruption (akhdu mā lā yastaḥiqquhu), cheating (maḥabah ma yadā ḥanahu). Be he betrayed Allah, the Messenger of Allah and betrayed the amānah. Position is an amānah, which must be fulfilled according to its place. As the words of the Messenger of Allah when Abū Dzar al-Ghifārī volunteered to hold office; “Verily the office is an amānah, and in fact it will on the Day of Resurrection bring trouble and repentance for those who hold it; except those who hold it right, and perform it to the master.” (Narrated by Al-Bukhārī and Muslim.) Another word narrated by Abū Hurairah Ra., Indeed the Messenger of Allah said, “If the amānah has disappeared, then wait its destruction”. Someone asks, “how is the amānah lost?” He replied, “If an affair is given to the non-expert, then wait for the destruction”.

And it is so bright that man is God's creation, and the office (al-walāt) is a form of God's representation of his servant, and they are the servant's representatives of themselves; in another deputy over their other siblings. And within it attaches the meaning of a position and a representative. Then guardian and deputy; when the two things are used for someone. And if the best man (man huwa aṣlah) is traded, and sold something at a price; and he finds the best buyer, then indeed he has betrayed his friend.[27]

**Prioritizing the Nearest with The Best According to The Field (isti’mālul aqrab lil wilāyah)**

If ideal conditions are far from reality, then the next option is to choose the closest option; according to the field of affairs to be addressed. However, this election process must be carried out with sincerity (ijtihād at-tām), and choosing someone objectively. If this is done, then it has actually fulfilled its obligations; namely to fulfill the mandate and not betray. The meaning of strength (al-quwwah) is relative; depending on the field. Thus, the meaning of force on the battlefield will be associated to courage and mental in battle. Because war is a tricky. While the meaning of power in deciding cases among humans, is associated to knowledge of justice based on al-Qur’ān and Sunnah.[28] Amānah will refer to fear to God, and not sell God's verse for a low price; nor fear of man. Here are three conditions that must be met in kaitanya decide cases (fair) among humans, namely: 1) fear of God, 2) fear no man, 3) not sell the verse of Allah at a low price. (Surah al-Mā`īdah [5]: 44). In the context of the lack of a person who possesses power and amānah simultaneously. However, if in a matter more necessary aspect of amānah; then comes first a person who is amānah. For example in the context of keeping property and so forth. Although in terms of distribution and guarding it takes strength and amānah. In the tax-drawing profession it takes strength, while in the writing profession (accountant) it takes amānah to keep the truth of the reports and the treasury available.[29]. As the Prophet said, “Allah loves those who have careful vision; when sorting out something syubhat. And like those who have a clear mind (’aqlun) to muffle lust (lust)”.

Based on history, the events of ‘politics economy’ at least in the history of Islam. In this case, at least can be seen from the story that occurred in the time of the Prophet when he made a market for Muslims. The rationale from the establishment of this Muslim market is trying to reform the Islamic values on the market, because at that time the market was dominated by Jews who have applied the practices of cheating, injustice and usury. Furthermore, during the reign of Caliph Abu Bakr as-Siddiq when he fought the riddahs; who rebelled with no longer willing to pay zakat to the government after the Prophet died. Although this policy gains resistance from within
the friends itself, this policy is true.[30] As Abu Bakr said, “By Allah I will fight those who separate between prayer and zakah”.

The event of ‘Islamic political economy’ was more pronounced in the reign of ‘Umar bin Khattab, even he was considered to have committed ‘heresy’ (bid’ah) for applying something that was never applied by the Prophet and the Caliph Abu Bakr. That is to restrain the spoils of war, and make it ‘state assets’ this happens to the spoils of land called Sawad (ardun sawad). Resistance to Caliph ‘Umar's policy is greater than that of the Abu Bakr caliphs of the Riddahs rebell; this involves a lot of friends even though ultimately this policy is still running. So this policy is a milestone history of taxation in the Islamic world. Therefore, the obligation of a Muslim is not only zakah, but also tax (kharaj).[31] At the time of the caliph ‘Umar bin Abdul Aziz who did the reconstruction of zakat by selling all the wealth owned by him. At the time of Caliph Harun Ar-Rashid, the turn of the tax system from misahah to muqasamah is a reflection of Islamic economic politics, which is a trustful and just leader against his people.[32]

According to Beik, there are eight policies which are ‘practical’ and ‘easy’ in accordance with the ‘present’ Islamic political economy which can be done by the government. First, the placement of the pilgrim funds is entirely on Shariah banking and sukuk. Second, the placement of some assets of state-owned enterprises in sharia banking. Third, raising the status of sharia banks that become subsidiaries of state-owned banks. Thus, it is expected will increase the volume of assets and transactions through Islamic banks, as well as on a number of state institutions, may be required to use the services of sharia banks. Fourth, eliminating double taxation on sharia financial transactions other than murabaha which has been abolished since years ago. Fifth, require the civil servants who qualify as muzakki, as well as state and local enterprises to fulfill their obligations of zakah regularly, both zakat employees and zakat business entities. Sixth, increasing the volume of financing for the people, such as agricultural credit and micro business, using sharia contract. Seventh, encourage the strengthening of Islamic microfinance institutions through their involvement in channeling government program funds for economic empowerment and poverty alleviation. Eighth, issuance of syariah economic education nomenclature by minister of High Education, so as to facilitate the development of national sharia economic education.[33] Meanwhile, at present, Islamic political economic is at least visible in some of the following:

a) the existence of Islamic economics under the name ‘sharia economy’ is the result of economic politics conducted by Muslim economists in response in the new order era.

b) the birth of the law (Act) Zakat Management Year 1999, and in it revision in 2013 can not be separated from the efforts of Islamic political economy.

c) the establishment of Islamic economics studies and Islamic economics programs in various public and private universities since year 2006

d) the formation of the ‘riba amnesty’ program of former Chairman of BNI -Teguh Imam Saptono.

CONCLUSION

Based on the above discussion, it can be concluded that the definition of Islamic political economic at least can be classified to three definitions; first, Choudury which explains that Islamic
economic politics ‘is the study of the interactive relationships between polity (shura) and the ecological order (market sub-system). These interactions are designed to develop human comprehension, social receptivity, and institutionalization of the shariah in the conduct life. Than al-Khattath which defined it as the guarantee satisfaction of all primary needs (al-hajat al-asasiyah or basic needs) of each individual and meet the needs of secondary and luxury (al-hajat al-kamaliyah) according to the level of ability as individuals living in certain communities have a special lifestyle. And Suntana’s definition, it is a legal policy created by a government concerning economic development to ensure the fulfillment of the needs of society by making Islamic Shari’a values as its measure. If the Choudury’s definition of Islamic political economics emphasizes on the shura and ecological order aspects, and the definition of al-Khattath emphasizes the fulfillment of the individual needs of the ummah, and Suntana to the aspect of financial politics; then according to author with the basis of Ibn Taymiyyah’s view, Islamic political economics is the economic policy in managing wealth in accordance with Islamic Shari’ah in the fulfillment of all the needs of the ummah with fair and good; so that the leader and his people can behave better than ever. This can be done first, by choosing someone with expertise-and this is the reflection of a leader's mandate. Second, by fulfilling the mandate to those in need.

In the present time, some of the above are forms of Islamic economic politics conducted by Muslims in Indonesia. Although these efforts are still far from ideal, at least the above phenomena have made it clear that ‘Islamic political economy’ has a different form in the appeal that occurred in the past. The emphasis, however, is that Islamic political economy is not a new item in the discourse of Islamic economics, because both political and economic are like two inseparable sides of the coin. As stated, that politics without economy will not be sovereign, while the economy without politics will never prosper.

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