

THE STRATEGY OF THE ISLAMIC ECONOMIC SYSTEM IN INDONESIA'S DEVELOPMENT

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Abstract: *The strategy in the Islamic economic system is not an alternative economic system or an economic system middle class, but is a solutive economic system for various problems that while it appears. Research Methods used by researchers in compiling this writing is with use method descriptive . Method descriptive is method in researching something object, a system of thought or at present (Nazir, 1988:63). With this descriptive researcher try make One description, description or painting in a manner systematic , accurate about facts , attributes as well as connection between phenomena that occur in the economic system that is run. The Islamic economic system and its development in society, then For can reach balance development And well-being people, needed exists a harmonious (civilized) society, where this can be realized when there is something paradigm. The paradigm of civil society can be said to be Islamic when it is realized through principles And values Islam addressed For get fail.*

Keywords: *Strategy, Islamic Economic, Public madani , Falah.*

INTRODUCTION

We know that humans need supporting factors in meeting their needs his life, in Among them are needs physical And spiritual. Need physical it consists from clothing, food and shelter, while spiritual needs are faith and spirituality. These physical and spiritual needs must run in a balance so that life can be fulfilled achieve happiness. In this case, each individual is expected to have an understanding Which Good to faith Which has through his beliefs to Lord so that Humans in carrying out their life activities can be directed properly and correctly. All Human activities in the world cannot be separated from religious beliefs. With faith, then life man more own objective.

The purpose of life is to achieve happiness that is balanced both materially nor spiritual with balanced. With balance will reach *fail And masalah*. Matter the in accordance with sharia. sharia that's Finally become guidelines in set rules in the world to become muamalah principles of humans as socio- economy. Rules/ stipulations based on religion or Shari'a the is implementation from exists Islam.

Islam came down to the world to bring provisions that serve as a guide so that life always directed. Islam is system life (Objective Islam is as from the goal of the Shari'a itself (maqashid ash-shariah) namely to achieve happiness the world and the hereafter. According to as-Shatibi in the Center for Economic Studies and Development Islam¹, includes 5

¹Center Study and Development of Islamic Economics (P3EI) Islamic University of Indonesia Yogyakarta in collaboration with Bank Indonesia, 2014. *Islamic Economics* , Jakarta: Eagle Pers

benefits: 1. religion (*Addien*) , knowledge (*al-'ilm*), soul (*annafs*), wealth (*al-maal*), and offspring (*al-nasl*). Islam is a system of life (*way of life*), where Islam has provided various sets of complete rules for human life, including in field economy.²

According to Abdul Ghofur, Islamic economics is built on the basis of the Islamic religion, therefore it is an integral part of the Islamic religion. As a derivation of religion Islam, economy Islam will follow Islam in various aspect, No only is the practice of economic activity carried out by existing Muslim individuals or communities, However Also is embodiment behavior Which based on teachings Islam.

Islam Economic covers method looked problem economy, analyze And submit alternative solutions to various economic problems. In this case, Islamic economics has become reject measuring to system economy conventional Which has long There is. Practice system economy Islam start penetrate in various field economy, among them in empowerment zakat nature by Amil Zakat in various area To use even distribution source capital production for public small, empowerment And establishment *Baitul Mall* as media implementation of financial collection in the contract system, to capital market products in the form of sharia stocks and bonds, as well as financial institutions and sharia banks which are spread almost throughout Indonesia and the world. With this, as well never separated between religion and state and between material and spiritual. A Muslim must believe in the unity of life and the unity of humanity.³ So Islamic economic system has been considered as a pillar of balance in development And well-being people.

RESEARCH METHODS

Research Design

Research Methods used by researchers in compiling this writing is with use method descriptive. Method descriptive is method in researching something object, a system of thought or at present. With this descriptive researcher try make One description, description or painting in a manner systematic, accurate about facts, attributes as well as connection between phenomena that occur in the economic system that is run .

The pattern of the approach taken in solve problem with use design descriptive-analytical. Through approach studies descriptive analysis of this author will give One description about phenomena that are around the focus of the problem with followed one Analyzes related to the economic system related Islam with country development.

Data Collection Methods

Method Focus Discussing Group (FGD) is data collection carried out with method do discussions group to use look for various related information with topic writing.

Studies Literature Methods

Method studies literature is method data collection with view, read and write data from related literature with topic writing.

²Ghofur, Abdul, *Introduction to Islamic Economics: Basic Concepts, Paradigm, Development Economy sharia*, (2017). Depok: Eagle Pers

³Andi Iswandi (2014), "*The Role of Qur'ani Ethics on the Islamic Economic System*" , in Andi Iswandi, take education in Faculty sharia, Jakarta: Institute PTIQ Jakarta.

DISCUSSION

System economy Islam will covers unity mechanism And institution Which used For operationalize thinking And theories economy Islam in activity production, distribution, And consumption. Description in a manner line big 'building' from system economy Islam This in in between⁴ :

Ownership in Islam

Conception about right owned by own implication Which fundamental for whole system economy. This concept will be the basis of what (what), how (how), and why (why) manage, and for whom (for whom) all economic resources on earth This. Starting from this concept of property rights, the Islamic economic system is an economy with three sector, that is sector market, public, And country.

In the view of Islam, the absolute owner of the entire universe is Allah, while humans only carry out His mandate. God created the universe didn't he for himself, but for the sake of means of life (wasilah al-hayah) for people to achieve prosperity and well-being. Humans are given the right to own Funds rule the universe throughout according to how they are earned and how they are used Which has determined by God. With thereby, exists right owned by bring consequence exists obligation utilization. On Finally, right owned by This must insured answer in ahead court God in hereafter later.

In teachings Islam, right owned by categorized as become three, that is:

a. Right individual (milkiyah fardhiah/ private ownership)

Basically individual ownership of economic resources (resources) is Wrong One nature man Because teachings Islam admit it as something which must be respected and protected. Individual ownership is a requirement fundamental for achievement well-being public, because He will create motivation And give room for individual For utilise source Power in a manner optimal. A individual given freedom tall For own And utilize resources for their interests throughout; (1) method of acquisition and its use does not conflict with Islamic sharia; and (2) does not cause loss, Good for self Alone nor person other.

b. Right general or public (milkiyah 'amma/ public ownership)

Ownership general appear Because something object utilization reserved for the general public so that it becomes a common interest. Islamic teachings are not limit to type certain thing to be right owned by common so possibilities may vary from place to place.

However, according to An Nabhani⁵ public property rights exist in objects with characteristics as follows: (1) It is a public facility, where if this object is not in in something country or community, so will cause dispute in looking for it, such as roads, drinking water, and so on; (2) Minerals which relatively unlimited number; (3) Natural

⁴Center Study and Development of Islamic Economics (P3EI) Islamic University of Indonesia Yogyakarta in collaboration with Bank Indonesia, 2014. *Islamic Economics* , Jakarta: Eagle Pers

⁵An Nabhani, Taqqyudin, (1996). *Build System Economy Alternative Perspective Islam (transl.)*, Surabaya: Treatise Lord.

resources whose nature of formation prevent it from being owned only by individuals; (4) Waqf property, that is someone's property Which granted For interest general.

c. Right owned by country (milkiyah daulah/ state ownership).

State property rights can be in the form of public or individual property rights management become authority government. Government own right For manage these property rights because it represents the interests of the people at the same time carry out the mission of Allah's caliphate on earth. Unlike public property, this state property rights can be transferred to individual property rights if indeed the policy country will thereby. Will but, right owned by general No can diverted become public property cannot be transferred to individual property, even though he is managed by government.

Maslahah as Incentive Economy

The concept and understanding of property ownership has implications for motivation And incentive every individual. When somebody believes that treasure Which in his power is his absolute right, then he will feel that he owns it freedom For utilise in accordance with his will without need care values that are not in accordance with their interests. On the other hand, a slave, on times before Islam for example, No feel own treasure although body itself so that all its actions are more encouraged to fulfill the will of the parties other. In understand capitalism, activity economy tend motivated by interest individual. For example, a consumer tend motivated For maximize individual satisfaction and a producer tends to be motivated For look for profit personal as much. On the contrary in understand socialism, activity economy more pushed by incentive security/ comfort social.

Although second understand This base on incentive Which different, However Good incentive individual or incentive social often time be measured from aspect material only. Well-being individual often time interpreted as height income And Power buy individual, and social welfare is often interpreted as high income and people's purchasing power. Islam recognizes the existence of material or non-material incentives in economic activity. This is because Islamic teachings provide every opportunity individual For fulfil interest individual, interest social or interest holy For worship to God. kindly line big, incentive activity Economics in Islam can be categorized into two types, namely incentives that will received in the world and incentives that will be received in the hereafter.

Incentives in the world maybe will accepted by individual or public, Good in activity consumption, production, or distribution. Incentive in hereafter is form reward (reward or punishment) that will only be felt in the hereafter, as promised by Allah. As example, incentive For consuming goods lawful And thayyib is personal worldly satisfaction. At the same time the reward in the hereafter because this is something form worship. However, There is activity economy Which the incentive thank you in hereafter only, such as giving or helping others. All of these incentives are called as maslahah as explained on chapter previously.

Deliberation h as Principle taker Decision

Kindly general, taking decisions can be distinguished between two poles, decentralized and centralized. System centralization emphasizes that decision making is carried out by one authority, Central government for example, and economic actors only act as executors decision-making. In the context of a country's economy, this system will produce a planned economy. This system was born by socialism. On the other hand, capitalism, decision making tends submitted to every perpetrator economy so that No needed something authority single in taking decision economy. System decentralized This will produce a market of free competition as expected by capitalism.

Islamic economics views that individuals, communities, and governments own individual roles so that the decision system is centralized or solely decentralized will not be able to meet individual and social needs. At the level and Certain aspects require decentralized decision-making because in terms of In this case, the principle of mutual pleasure is very dominant, for example in terms of input pricing or outputs. In other aspects, for example, the principles of truth and justice are very important dominant, then the centralistic principle based on the Qur'an needs to be applied, for example in matters of distribution of public goods and welfare and upholding the truth. In general, decision-making in Islamic economics is based on the principles of market mechanisms, but while still looking at the values of the common good and the values of truth. Therefore, deliberations (Shuratic processes) to get agreement on base benefit is principle taking decision Which in accordance teachings Islam. Deliberation is a combination of decentralized and centralized processes controlled values *maslahah*.

Market Which Fair as Media

Coordination Aspect to four in system economy is mechanism fulfillment incentive. In understand capitalism, mechanism market or transactions are considered as the most appropriate mechanism for the fulfillment of the will each individual. Assuming, that every individual is aware and motivated by individual interests, then each individual does not need to be regulated by other parties. In fulfill their own interests. If each individual has a mindset (role of *tingking*) individualistic, then a transactional mechanism will be created; that someone will want to give something that belongs to him if he gets a good reward in accordance with his wish. Mechanism here it is Which Then known with mechanism market.

Holy (worship). By No contrary with interest social And interest Because Therefore, the market mechanism is not enough to fulfill these three incentives. Freedom individuals who are in harmony with social needs and Islamic morality will be realized in something mechanism market Which put forward aspect morality And Work The same. Ibn Taimiyah mentions this mechanism by the term 'fair market' or combination between competition and cooperation (*coopetition*).

The market mechanism is given space for price determination, but society and Islamic sharia still play a controlling role prices, but society and Islamic law still play a role in controlling the market so that public Which fair And harmony Can materialized. With thereby, mechanism pure market no become control behavior on perpetrator economy, However market also controlled by the government and society (citizenship) in the effort

reach justice And masalah maximum. If compared to with system other economy, Islamic economics is no different in terms of visible results, or market mechanism, but this difference is motivated by differences ownership concept, incentive And retrieval mechanism decision.

Perpetrator Economy in Market

- (1) Market in Islamic economics The existence of individual property rights and individual freedom to transact is factor base for existence market. Market is something the state of the agreement between the seller (manufacturer) and buyers (consumers) to exchange or trade. Exchange can take the form of buying and selling, rent, or debts. Market participants basically consist of households ladder And companies, temporary market can classified become market input and output markets. Households can consist of individuals or groups (eg family), while companies can be individuals or institutions business, while companies can be individuals or business institutions.
- (2) In the market inputs, households act as providers of production factors, which are needed by companies, while in the household output market is a consumer for goods and services produced by the company. Individuals have the freedom to transact in the input market as well as in the output market, acting as a producer or as a consumers and done alone or in groups.

Islamic teachings are highly appreciated the market as a vehicle for transactions or trade that is lawful (legitimate/legal) and thayyib (Good) so that in a manner general is mechanism allocation And distribution source Power economy Which most ideal. Award Islam to mechanism market leave from God's provision that commerce must be done in a good way based on the principle of mutual pleasure ('an taradin minkum) so as to create justice.

Market is trading mechanisms that meet these criteria. In the market, one is free make transactions according to their needs and desires. Mechanism market is a force that is mass (impersonal) and natural (natural) thus reflecting the economic condition of the wider community. In that situation compete perfect (*perfect competition market*), not There is a perpetrator even Which in a manner individuals can control market mechanisms.

On moment beginning With the development of Islam in Makkah, the Muslim community was challenged and pressured the burden of the people of Mecca (especially the Qurays tribe) itself so that the activity main Prophet Muhammad is struggling self-defense, preach on and on preach. However, his attention to market activity was not reduced, in line with more complete teachings Islam. When society Muslim has migrating (*hijrah*) to Medina the role of the Prophet shifted a lot to become a supervisor market or al muhtasib. He oversees the running of the market mechanism in Medina and environment so that it can continue in an Islamic manner.

However, Islam refused market concept in the form of unlimited free competition thus ignoring the norm And ethics. Market Which like This No will capable realize objective reach falah, it might even distort it. In an Islamic market, market players pushed by Spirit competition For reach kind (*fastabiqul khairat*) at a time cooperation

and mutual assistance (*ta'awun*) within the framework of Islamic values and morality. Market will become arena commerce commodity Which Halal toyyibn just so that Which unclean must abandoned.

Transaction Which contain usury, gambling, alcohol, aging pork, and other illicit commodities will not be available in the market. market activity too must reflect healthy competition (*fair play*), honesty (*honesty*), openness (*transparency*) And justice (*justice*) so that price Which created is price Which fair (*just prices*).

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- (3) Government in economy Islam is Government own position And role important in Islamic economics. The existence of the government's role in the Islamic economic system is not solely due to market failure and market imperfection. Basically, role government is derivation from draft caliphate etc consequence exists collective obligations (*fard al-kifayah*) to realize falah. Government is holder trust God And His Apostle as well as trust public For operate tasks collective in realize well-being And justice (*al-adl wal courtesy*) for whole people. kindly general role government This will hooked up with efforts to realize the concept of an Islamic market and realize the goals of Islamic economics as a whole. an Islamic market will be difficult to realize if there is no role government active. Roles in this market can be broadly classified become three part, that is: *first*, role Which related with implementation mark And Islamic morals; second, the role related to improving market mechanisms (*markets imperfections*) ; And third, role Which related with failure market (*markets failures*). Value implementation and Islamic morals are not can done only with let the market work naturally, even though the market participants are Muslims though. The government also has an important role in providing goods and services facility public, take care problem externality, And various problem economy other Which cannot be resolved through market mechanisms. In carrying out the task- the task, government can Act as planner, supervisor, producer at a time consumer for market activity.

In addition to tasks related to markets, the government has responsibilities Which wide in connection with effort realize objective economy Islam in a manner whole. This responsibility basically includes various aliases characteristic contextual, throughout related with obligations collective in implement Islamic teachings. However, some of the government's main tasks include: (a) ensure the fulfillment of basic needs for the community; (b) equal distribution income and wealth; (c) preparing economic development plans; and D) take various policy economy And non-economic Which relevant for embodiment fail the people.

- (4) The role of society in Islamic economics The obligation to realize falah is basically is the duty of all *economic agents*, including the public. There are a lot of economic activity that cannot be carried out properly by market mechanisms as well as by the role of the government so that the community must play a direct role. There is phenomenon *market*

failure And government failure. Market, government And public must work together to achieve the welfare of the people. The market in essence is vehicle to express individual freedom in business, of course more pushed by motives look for profit individual. Therefore, effort For Realizing the welfare of the people cannot rely on market mechanisms alone. Government and society are basically two institutions that have functions to realize all collective obligations to realize *falah*. form of role both of them therefore, on in fact can each other exchange (*changeable*) in accordance with situation And condition. Role public will become the more important when the government will not carry out its *fard ak-kifayah duties* properly. for example, in Indonesian society must play an active role in the management of zakat, because the state does not fully manage community zakat as the concept of zakat management is ideal.

Role public Also appear Because exists draft right owned by public in economy Islam, like *waqf*. Riches *waqf* is riches public in a manner whole And apply throughout period Because *waqf* is right owned by society Which No depending on the government in power. Governments may change from time to time time, temporary public bound in obligation social period long. Therefore, riches *waqf* will still managed by public Alone.

Based on the explanation above, it can be seen that the balance development And well-being people can identified through creation public *madani*, in where For can happening public *madani* in a manner perfect, from mechanisms system economy Islam Which There is, can done with Good and directed. Of course, through various parties, namely the community and the government, it can each other continuous. Besides That, public *madani*, can materialized if exists enhancement understanding to mark- mark moral Islam practice economy in public. According to Nurul Hilmiyah, et al⁶, Performance Which more tall from their success is high morality in the world This. Key to achieve morality Islam This with kind, truth And faithfulness to God. Second moral This Can achieved with kind (Act in demand) And beneficial for life human and prevent crime occurs.

CONCLUSION

For can reach balance development And well-being people, there is a need for a harmonious (*civilized*) *society*. where this can be realized when there is a paradigm. The paradigm of civil society can be said to be Islamic when manifested through the principles and values of Islam are intended to gain *fail*. System economy Islam will covers unity mechanism And institution Which used for operationalize economic thought and theories deep Islam production, distribution and consumption activities. The outline description of the 'building' of system economy Islam This in including:

- a. Ownership in Islam;
- b. Maslahah as Incentive Economy;
- c. discussion as Principle Decision;

⁶Nurul Hilmiyah¹, Bayu Taufik Possumah², Mohammed Judge Mohd. Shafiai³, 2017. "*Tawhidic Based Economic System: A Preliminary Conception*" , in Nurul Hilmiyah, ed., al., Studies in Malaysia¹ ³: Islamic University , Hadhari and Bogor²: University of Islamic Economy Tazkia.

- d. Market fair as Media Coordination;
- e. Perpetrator Economy in Islam.

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