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ISLAMIZATION OF ECONOMY IN INDONESIA: From Politics to Law

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Abstract

Looking at the historical record, the process of Islamization of economy in Indonesia has faced enormous challenges. The challenges, for instance, come from politics, in which the Islamization of economy was initially rejected before it finally gained acceptance in 1991. The challenges also emerge from law where it was initially not supported by the existing legal rules. The law dealing with Islamic economy in the country first existed in 1992, concerning the Islamic banking operations. This article examines the Islamization of economy in Indonesia in terms of politics and law. Using a qualitative method with historical perspective on politics and law, the writer first describes the journey of the Islamization of economy from a number of literatures, and then analyzes it from political and legal perspective. He argues that politics in Indonesia has an important influence on the recognition and acceptance of the Islamization of economy. Likewise, law in Indonesia has an important role regarding legal certainty of the Islamization of economy in the country.

Keywords: *Islamization, Economy, Politics, Law*

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Abstrak

Artikel ini merupakan jenis penelitian kualitatif melalui buku-buku atau studi pustaka dan realita yang terjadi, seperti dalam berita-berita yang disuguhkan baik oleh media cetak ataupun media elektronik tidak pernah lepas membahas tentang berbagai kejadian seperti, kekerasan, kejahatan, kriminalitas, ketidakadilan, pelecehan, pemerkosaan, pelanggaran hak, kerusakan, bunuh diri, penggunaan obat-obat terlarang, aborsi dan lain sebagainya. Manusia yang selama ini selalu berbuat kemaksiatan. Sesungguhnya Islam sudah sejak dulu mengajarkan nilai-nilai kebaikan, supaya manusia mempunyai kepribadian imani yang selalu menerapkan *akhlaqul karimah*. Manusia dalam pandangan

Psikologi Islam memiliki seperangkat potensi, watak, dan karakter unik. Potensi itu setidaknya mencakup iman, monoteisme, Islam, keselamatan, kesungguhan, kemurnian, kecenderungan untuk menerima kebenaran dan kebaikan, dan sifat-sifat baik lainnya, seperti; *shidiq*, *amanah*, *tabligh*, dan *fathonah*.

Kata kunci: *Islamisasi, Ekonomi, Politik, Hukum*

A. INTRODUCTION

The development of Islamic economy in Indonesia is inseparable from support of the majority of Muslim population. The demographic bonus results in an increase in the use of Islamic economic products. The increase can be seen from the per capita income of the country that tends to rise. Islamic financial assets in Indonesia, such as Islamic Banking assets, Sharia Insurance, Sharia Financing Institutions, Sharia Non-Bank Institutions, Corporate Sukuk, Sharia Mutual Funds, State Sukuk, and Sharia Shares are well developed. These assets experienced growth in June 2019 reaching IDR 1,335.41 trillion or USD 94.44 billion (*Snapshot Perbankan Syariah Indonesia Juni 2019*, n.d.) The development of Islamic financial assets that occurred in Indonesia is evidence of community involvement in using Islamic financial products. The use of Islamic financial products is one way carried out by the community in responding to changes that occur in a country (Pepinsky, 2013, p. 157).

The use of Islamic financial products by Muslims shows the human piety in religion. Moreover, Prophet Muhammad SAW ordered his people to stay away from anything prohibited by Islam, especially in *muamalat*. The Islamic economic system at the time of the Prophet was very simple, on which the economy was dependent on trade. The trade exemplified by the Prophet was one of the important phases in the process of spreading Islam. In his prophetic period, he made Makkah a center of trade. Until he died, Mecca remained an important historical site for Islam, and, in 1967, the world's first Islamic conference on Islamic economy was held in the city. Through the Islamic conference, concrete steps to promote Islamic economy as an academic discipline were agreed (Warde, 2010, p. 41).

Another opinion holds that the rise of the Islamic economy is caused by the failure of economic development in each country. This failure can be found in Asian and African countries in the 1960s as a result of the strategy of capitalist economy development (Asutay, 2007, p. 3). In 1970, changes in world politics caused oil prices to rise, and hence this affected the balance of economic power between oil producers in the Islamic world and the northern industrial countries (Tripp, 2006, p. 104). As a result, in the same year in Muslim countries, awareness emerged to create an economic system that was based on Islamic principles. Such awareness received a positive response from Muslim economists, most of whom had received educational degree in the West. Through their ideas, several Islamic financial institutions such as those in Pakistan and Malaysia have been born (Iswanto, 2013, p. 77).

Pakistan, under the leadership of President Zia in 1977, became the first country to initiate the use of the Islamic economic system after the Islamic conference in Mecca (Warde, 2010, p. 41). This step was then followed by other countries in the world. In this case, to realize the Islamic economic system, the first thing that needs to be done by Muslim countries, including Indonesia, is the effort to Islamize the economy against the

prevailing economic system. Islamization of economy here means Islamizing the economic activities through ways that are in accordance with Islamic principles.

In Indonesia, the process of Islamization of economy cannot be separated from intervention of the government. The intervention meant here is a political decision that can affect economic policies. Decision making related to economic policies means not only the birth of an economic model, but also a political direction, interests and potential conflicts that may arise from the policies. In making decisions related to Islamic economic policy, the government gets advices from Muslim scholars who have contributed to the development of Islamic economic system in the country. These advices can be seen from the legal sector in resolving Islamic economic disputes, as in Law No. 3 of 2006 concerning Religious Courts.

The Islamization of economy in Indonesia actually began with a plan to uphold Islamic law in the country's constitution, though the plan failed. Furthermore, the movement's campaign to Islamize the economic system and criticize the practice of interest-based economy has caused controversy in society (Al Banna Choiruzzad & Nugroho, 2013, p. 958). The condition of Indonesia which adheres to the secular constitution and the ideology of Pancasila has also triggered many people to interpret the country's economic system for years. Bill Warner (2015) in his book "Sharia Law for Non-Muslims" says that the Muslim scholars claim that Islamic law is the most perfect law. In this sense, the law is universally placed so that it has an eternal nature and is not etched by the times.

The claim above implies that Islamic law is a sacred law that comes from God and, therefore, must be applied by a country. As a result, Islamic ideological organizations have sprung up, one of which is the Indonesian Ulema Council (MUI) which was established in the era of President Soeharto in 1975. MUI itself is designed as a liaison between the government and religion, which positions itself as a non-government (independent). Therefore, MUI has a great influence on government policies on Islamic religion (Daniels, 2017, p. 106).

The Islamization of economy has received attention from researchers. Irfan Syauqi Beik (2016), for example, has examined the Islamization of economy with CIBEST model. One contribution of this model is that welfare and poverty are not only measured using material, but also spiritual. Therefore, according to Imron Mustofa (2017), the Islamization of Economy is not only related to economic norms that should be applied, but rather the realization of an Islamic-based economic system. Based on the description above, the researcher wants to analyze the problems of the Islamization of economy in Indonesia. To distinguish this study from the previous studies, he chooses a qualitative method with historical perspective on politics and law. This approach was chosen because politics and law play an important role in the process of Islamization of economy in Indonesia.

B. DISCUSSION

1. The Journey of the Islamization of Economy

Islamization of economy is a form or a way to Islamize economic activities that are based on Islamic principles. Economic activities that are based on Islamic principles, thus, are named Islamic economy. Economy itself is the study of human activities related to the production, distribution and consumption of goods and services. The use of the term *Islamic economy* is basically to distinguish it from conventional economy. In this

sense, Islamic economy tries to reconcile spiritual matters with worldly affairs, where Islamic economy acts as a filter of access to capitalism (Langton et al., 2011, p. 192).

Building an economic system based on Islamic principles through the Islamization of economy has long been wanted by ulemas (Muslim scholars) in Indonesia. The process of the Islamization of economy is also one of the agendas in the *ijtihad* of the Muslim scholars and economists (M. Hafidz MS, 2015, p. 33). It began with the establishment of the Islamic Trading Association (Sarekat Dagang Islam or SDI) in 1905. Later, in the mid-1970s, an idea to establish an Islamic bank emerged. This idea appeared in 1974 and 1975 in national and international seminars on relations between Indonesia and the Middle East. According to Bombang (2013), this idea is difficult to realize because, first, Islamic banks have not been regulated in the law; secondly, Islamic banks are considered as a way to establish an Islamic State; and, thirdly, Islamic banks still have difficulty in determining who is willing to put capital in the venture.

Discourse of the process of Islamization of economy continued through the People's Credit Bank (Bank Perkreditan Rakyat or BPR) named Berkah Amal Sejahtera which operated in accordance with sharia in 1988. In that year, the Muslim scholars also tried to establish an interest-free bank but failed because no legal instrument was used – except that the banks could operate without interest or 0% (Bombang, 2013, p. 272). On 18 to 20 August 1990, MUI conducted a workshop in Bogor with the theme "Bank Interest and Banking" (Darsono, 2016, p. 11). The workshop has produced positive results since 1991 marked with the birth of Bank Muamalat Indonesia (BMI), as this also happened in Muslim countries.

Some Muslim countries have implemented Islamic economic principles. Iran in 1983, for example, used the Islamic banking system, and Pakistan in 1977 also gradually carried out the process of Islamization of economy (Langton et al., 2011, p. 180). The establishment of Islamic banking in Iran, Pakistan and Indonesia is one realization in shaping the economy based on Islamic principles. In addition, it is also an important step in the initial process of the Islamization of economy in each country (Murtadho, 2016, p. 8).

The success of the Islamization of economy in the above-mentioned Muslim countries gets strong support from the state and society since the conventional system is no longer able to answer the increasingly complex economic problems (Arwani, 2016, p. 23). Here, the Islamic economic system comes in response to the complexities that exist in conventional economic system. However, in Western countries, the Islamic economy had received rejection (Raharjo, 2015, p. 35). According to Ibrahim Warde (2010) in his book "Islamic Finance in the Global Economy", the rejection is due to the assumption that Islamic economy or Islamic finance is part of certain religious teachings or beliefs. They see that Islamic economy is a new (different) paradigm of economy.

Opinions about Islamic economy as a new, different paradigm, according to Wilson in Langton, et al (2011), are a misunderstanding. According to Wilson, Islamic economy is not to replace the main economic theory, but to promote morality and reject the capitalist market. The concept of Islamic economy has been misunderstood by Western countries, and even by some Muslim countries (Presley & Sessions, 1994, p. 584). However, slowly they began to look about Islamic economy seriously. This seriousness made them realize that the Islamic economic system also contributed to the

economic evolution. In recognition of the Islamic economy, America itself began to use the Islamic economic system.

The rejection from the West, however, does not discourage Muslims to Islamize the economy as they consider that the transaction should be guided by the Quran and the Sunnah; it must be free from *riba*, usury. The Islamic economic system is one way to solve economic problems related to justice because it is able to realize balance, equity and justice for the whole society.

Islamic economy aims to identify and build an economic order that is based on Islamic principles. It is believed to be able to encourage and reflect transparent attitude towards economic management. Therefore, Muslims in Indonesia assume that the Islamization of economy needs to be carried out in order to maintain the economic order according to Islamic principles. One way that can be taken in implementing Islamic economy is by establishing Islamic Banking.

Pepinsky (2013, p. 158) states that Islamic Economy has a major role in reconciling religious principles and economic activities, such as the exemption of financial transactions from usury; it promotes a banking system that is free from bank interest. This principle has been applied in various countries, such as in Saudi Arabia, Iran and Sudan (Otto, 2008, p. 20). Although, theoretically, the exemption from usury is an easy problem because it is only related to the interpretation of the sacred texts, in reality it raises pros and cons. Acceptance and rejection arise from various interested parties.

The prohibition of interest is a complex problem that must be resolved. Exemption of transactions from bank interest (usury) has been reviewed by intellectuals, such as the former vice-president Mohammad Hatta. According to him, usury is not the same as bank interest, as offered by the conventional banks (Venardos, 2005, p. 163). Hatta's opinion seemed to be in line with what was expressed by Syahrur in his theory of limit when understanding Sura Ali Imran verse 130, i.e. as long as it is not excessive and reaches one hundred percent, the transaction is not categorized as usury.

In post-World War II Egypt, as inspired by French law, bank interest is allowed as long as it does not exceed 7% (Warde, 2010, p. 49). In Indonesia, differences of opinion about interest came from the leaders of Nahdatul Ulama (NU). There are three views about bank interest. First, bank interest is the same as usury, and it is haram. Second, bank interest is not usury, and it is lawful. Third, bank interest is still doubtful, and it is *subhat* (Al Banna Choiruzzad & Nugroho, 2013, p. 960). In this case, NU has not shown a single voice in responding to bank interest.

In Muhammadiyah, the Congress of Tarjih in 1968 in Sidoarjo decided that bank interest was usury and it was haram, while the bank without usury was lawful. In 2006, through the Tarjih and Tajdid Assembly, Muhammadiyah issued a fatwa No. 08 of 2006 which states that interest is usury (Darsono, 2016, p. 11). However, the dynamics associated with bank interest continued to develop.

The different views and attitudes about bank interest and usury provide a new perspective of the process of the Islamization of economy in Indonesia. First, the liberal group uses a varied approach to harmonize Islamic law with contemporary economic problems. Second, the group that initiated sharia banking continues to fight for the Islamization of economy (Murtadho, 2016, p. 15). These two views make the process of the Islamization of the in the country last long. The process also needs to be considered comprehensively, both in terms of its operations and in the formation of regulations. Some influential parties who are interested in supporting or rejecting the Islamic economy include:

1. **Political elites**; their support can be used as a way to get sympathy (votes) from Muslims in elections, even though they actually reject the Islamic economy because it only benefits the Muslims.
2. **Government**; Islamic economy, by the government, is considered to be able to disturb the stability of the country, so it must be rejected. This rejection occurred in the era of both Old Order and New Order because the Islamic economy was considered to be in conflict with the state ideology of Pancasila. However, at the end of the New Order term, the Islamic economy began to gain support.
3. **Ulema**; the support of the Muslim scholars can be seen from the way the MUI and ICMI built the Islamic economy by creating Bank Muamalat Indonesia which is free from *riba* (usury).
4. **Muslim community**; their support is the main capital in the Islamization of the economy.
5. **Non-Muslim society**; some non-Muslim communities support the presence of the Islamic economy because it is seen as able to help the Indonesian economy, while some others reject the Islamic economy because it is considered to only benefit the Muslims.

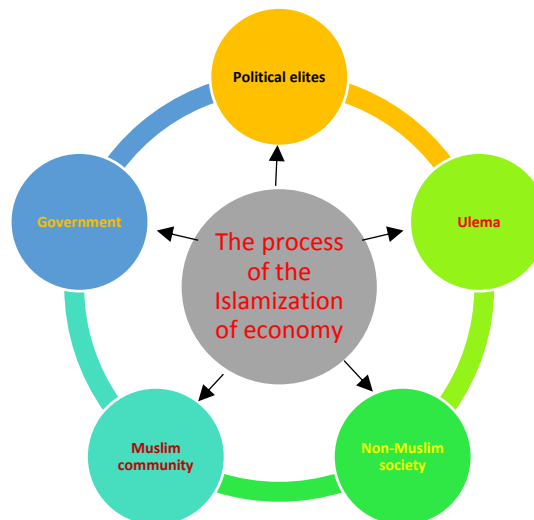


Figure 1: Influence the process of the Islamization of economy

The above scheme shows that all factors influence the process of the Islamization of economy. In addition, the process that occurs in Muslim countries, such as Indonesia, is part of the global phenomena of the Muslim world; law, culture, politics, society or economy. These phenomena initiate serious response from the Muslim scholars in guarding the process, such as by establishing the Islamic financial institutions. The establishment of Islamic financial institutions is, theologically, permitted by the Muslim scholars to be applied and practiced in modern finance today (Pepinsky, 2013, p. 165).

2. The Islamization of Economy from Political Perspective

The Islamization of economy in Indonesia took place during the New Order era, which began with the birth of Bank Muamalat Indonesia (BMI) in 1991. At that time, the Islamic economic project was inseparable from political forces as an effort to seek support from Muslim community to the government. In addition, political power plays an

important role in the birth of regulations based on Islam as a national law insofar as it does not interfere with the state ideology. It is a major factor in the development of the Islamic economy, as revealed by Kian (Kian, 2018, p. 111), that the support provided by the Indonesian government through political policies towards the Islamic economy is expected to develop and advance the Islamic economy.

Islamic economy in each country has a direct link with politics. In India, for example, it emerged as part of a campaign to preserve the traditional religious and cultural identity of the Muslim minority in the country (Kuran, 2004, p. 303). Such a political condition supports the development of the Islamic economy, as is also the case in Malaysia where the establishment of Islamic banking is supported by the government regulations in the form of the Islamic Banking Act of 1983 (Hasnita, 2017, p. 113). In Indonesia, the 1990s were an important period for the development of the Islamic economy as it is linked with the establishment of Bank Muamalat Indonesia (BMI).

The establishment of BMI as an initial process of Islamization of the economy in Indonesia is seen by some scholars as a concrete manifestation of the application of Islamic economic law. The presence of Islamic banking was also used as a tool for political transformation in the New Order era. In that era, the Indonesian Ulema Council (MUI) and the Indonesian Muslim Scholars Association (ICMI) provided full political support to the government (President Soeharto), so that the Islamic economic project could be realized (Al Banna Choiruzzad & Nugroho, 2013, p. 962). Before, the establishment of BMI was rejected by Suharto.

There are two reasons why the establishment of BMI was rejected. First, it was considered not in accordance with the state ideology of Pancasila; it was considered as one of the efforts to establish an Islamic State. Secondly, BMI will only be owned by certain groups, i.e. the Muslims. However, MUI and ICMI succeeded in convincing Suharto to support the establishment of BMI. In addition to the two reasons above, BMI was also born due to the dissatisfaction with the authoritarian and secular leadership, which also triggered the birth of political Islamic movements in the New Order era.

The realization of an Islamic economic project during the New Order era was inseparable from the important role of the MUI as a liaison between the government and ulema (religion). The project continued until 1998 which was the culmination of the collapse of the New Order and then replaced by the Reform period. As the government changed, the Islamic economy began to enter a new phase by expanding its authority.

The important role of the MUI underwent a change in the era of President Susilo Bambang Yudhoyono. His role is not only limited to link government and religion. More than that, MUI was now able to influence and guide the country. This role was visible as when the government began to encourage the MUI to issue fatwas that could be used as a reference in responding to Islamic issues (Lindsey, 2012, p. 259). The important role played by the MUI is increasingly evident from how the MUI issued policies on the economy, i.e. the Islamic economy.

The MUI's close relationship to the government makes this organization, as well as ICMI, have special authority in the management of Islamic economy. This can be seen from the share ownership of Bank Muamalat Indonesia (BMI) by MUI and ICMI (Al Banna Choiruzzad & Nugroho, 2013, p. 963). Therefore, the expansion and development of Islamic economy has changed the face and role of the MUI. If previously the MUI had a role as a liaison between the government and religion, as well as the fatwa makers, now it becomes conservative-orthodox and tends to be populist. Sometimes, MUI is even in different position from the government (Lindsey, 2012, p. 108).

The development of the Islamic economy in Indonesia is also inseparable from the behavior of the majority of Muslim communities who prefer to use Islamic economic products rather than conventional economic products. Muslim groups who demand the process of the Islamization of economy actually do not have in-depth knowledge of the problems of Islamic economy except for reasons of the prohibition of usury. In addition, they do not have special programs on the Islamic economic system, except something that is political in nature (Warde, 2010, p. 12). Therefore, the Islamic economic system owned by each country aims to create a world order with political aspirations (Asutay, 2007, p. 11).

The use of Islamic economic products issued by Islamic financial institutions becomes a separate claim, namely the Muslim identity in the world. Muslims are competing to maintain that identity through ensuring one's piety or religiosity (Pepinsky, 2013, p. 165). Change is a necessity, but maintaining an identity is a must. Therefore, a moderate attitude is to filter and combine change with religious values. In this context, Islamic economy is not only a strategy to strengthen Islamic politics in every country, but also a way to preserve identity for the Muslims.

3. Islamization of Economy from Legal Perspective

The Islamization of economy in Indonesia needs to be supported by a strong legal basis. The legal basis can be in the form of legal instruments in accordance with the rules in force in Indonesia and in Islamic principles. In addition, it also includes the application of Islamic economic law. The application of Islamic economic law in Indonesia as a national law is inseparable from the influence of the development of the existing legal system in Indonesia.

There are three periods concerning the development of the rule of law in Indonesia. First is the period 1840-1890. This period was influenced by the policy of liberalism in which there was interference of European law during the Dutch East Indies. Second is the period 1890-1940. This period was marked by the birth of ethical politics to respect the indigenous rights. Third is the period 1940-1950. This period began with the collapse of colonial rule until the decolonization period (Sri Wahyuni, 2014, p. 96). The three periods are the basis of the development of legal system in Indonesia, including the Islamic economic law.

In the Old Order and New Order era, the presence of Islamic law could not yet be accepted by the state. These two eras did not support the presence of (Islamic) law in banking which was developed on the basis of racial and religious differences (Venardos, 2005, p. 172). Besides, the rejection of Islamic law is also political. Therefore, inevitably, Muslims must be involved in politics to oversee the legal products that are in accordance with Islamic teachings (Rosdi, 2016, p. 41). Islamic law teaches guidance in daily life, including in economic matters.

The New Order actually did not completely reject Islamic law. 1991 was the beginning of the process of the Islamization of economy and the development of Islamic economic law. The process was marked by the birth of the Compilation of Islamic Law (KHI). The scope of the KHI was still limited to family matters. However, KHI also provides an influence on Islamic economic law. This influence can be observed from the birth of the Sharia Economic Law Compilation (Kompilasi Hukum Ekonomi Syariah or KHES). According to Hasnita (2017), KHES itself is coordinated by the Supreme Court

(MA) which was later legalized through Supreme Court Regulation (PERMA) No. 2 of 2008. This PERMA, if examined, is a response from the development of economic practices in Indonesia. These developments support the realization of the project of the Islamization of economy through the published rules.

Such a historical record about the regulations can be seen from the BMI case. Initially, BMI was supported by Law No. 7 of 1992 concerning banking, in which Islamic banking can carry out operations with a profit sharing system. Then, in 1998, there was a change from Law No. 07 of 1992 to Law No. 10 of 1998 concerning banking. In addition to being supported by Law No. 10 of 1998, Islamic banking is also supported by Bank Indonesia Regulations (PBI) and the MUI fatwa. Over time, Islamic banking experienced growth and development, so that in 2008 the government established a special law governing Islamic banking, namely Law No. 21 of 2008 on Islamic Banking. The presence of this law is considered as purification in Islamic banking.

The change and application of Islamic economic law above explains that Western or European laws (be it common law or civil law) are slowly being replaced by Islamic economic legal systems. This change and application of law are carried out almost in every Islamic country that adheres to the European legal system. These changes are an answer to the demands of the times and conditions of modernity. This condition becomes a reference for the legislative body, especially in Indonesia, in determining legal products.

Response to modernity is a necessity. If not so, legal development in Indonesia will lag behind the modern law (Fendri, 2013, p. 98). In addition, the development and change of the law can not be separated from the influence of Islamic culture, which is the power to make changes in institutions (Grassa & Gazdar, 2014, p. 159). Therefore, Muslim countries need to make adjustments in developing the Islamic economy. The flexibility and adaptation of the legal system is an important factor in developing a law, especially Islamic economic law.

Lack of strong legal infrastructure in Muslim countries is a major problem, because the development and growth of Islamic economy depend on the legal system in a country (Grassa & Gazdar, 2014, p. 160). The changing of the law is not an easy process. It takes a long time and is expensive, because the law is intended to produce solutions to inequalities and provide guarantees to the public. Meanwhile, political power is not always controlled by the Islamic groups, but by the nationalists and even the secularists. Therefore, to make Islamic law a national law as a whole is very difficult. Thus, the legal product produced is actually a mixed law based on compromise from various parties (Rosdi, 2016, p. 7).

The application of Islamic law in Indonesia is considered an urgent need because the law is considered to be closer to justice. This urgency can be seen from the emergence of regulations that specifically regulate Islamic economy, such as Law No. 21 of 2008 on Sharia banking. The presence of the Act came from political insistence that wanted the separation of Islamic banking laws from conventional banking laws. In addition, the urgency also arises from Muslim communities who want an Islamic economy governed by regulations based on Islamic principles.

The desire to separate conventional laws from sharia banking laws is a belief shared by Muslim countries in the world. They assume that the application or enforcement of Islamic law, whether it is about criminal, civil or economic issues, will be able to bring advantages into life. Religious principles applied in daily life in several countries such as Pakistan and Iran are considered capable of having a good impact on life (Kuran, 2004, p. 302).

The religious principles governing economic issues can be seen from the regulation of the production of goods permitted in Islam, while taking into account the demand and supply aspects. In addition, waste must be avoided, and monopoly must be absolutely prohibited (Rosdi, 2016, p. 38). According to Iswanto (2013), Islamic economic law has the same characteristics as business law or commercial law in Indonesia, but there are other characteristics, so that the Islamic economy must have its own law. The difference is that because the Islamic economy is sourced from the Qur'an.

The application of sharia-based regulations, such as Islamic economic law, is considered necessary in regulating economy based on Islamic principles. Growth and development of the Islamic economy cannot develop if there is no legal reform in Indonesia. That is, every human activity, be social, political, economic, and others, must be regulated by law. Therefore, the future of Islamic economy is very dependent on the legal products produced, whether they bring positive or negative impacts on the Islamic economy

C. CONCLUSION

The process of the Islamization of economy in Indonesia is inseparable from political and legal influence. The political influence is obvious from the New Order era to the Reform Era, where the Islamization process experienced both rejection and acceptance. However, the close relationship of MUI and ICMI with the government at that time made the process possible. In this regard, political support has a positive impact on the process of the Islamization of economy and the development of Islamic economy in Indonesia. Meanwhile, from the legal perspective, regulations help provide legal certainty related to the sustainability of the Islamic economy and its operations, so that it can be realized well. Later, the impact of political and legal influence in Indonesia can be seen through the growth of the Islamic economy with the presence of various Islamic financial institutions, such as the Islamic banks.

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