

Schools Of Thought in Islamization in Economics Process

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SCHOOL OF THOUGH IN ISLAMIZATION OF ECONOMICS PROCESS

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Abstract

The problem and shortcoming of economics are some of the trigger of a growing awareness among Muslim scholars of the need to find out an alternative for Western Economics. This alternative is in the form of Islamic Economics. In order to develop this body of Islamic Economics, there are two alternative ways, namely: first, by islamizing the conventional economics and second, by developing a framework from Quran and Sunnah. This paper aims to answer two important issues in Islamizing economic processes, i.e.: (1) what are the processes of the scholars in their efforts to Islamize the economics, and (2) what are the similarities and differences of the scholars' view? Using a literature study approach, we analyze the scholars' thoughts in order to answer the questions above. Based on our analyses, we reveal that the scholars are similar in their evolutionary approach—the synthesis between the modern economics and the shariah based economics—instead of a revolutionary one, in doing the Islamization of economics, even though with varying emphases and focuses.

Keywords: Islamization, economics, synthesis, process

The Revival of Islamic Economics

Economics has become an important issue that people need to understand, study, discuss and implement. Conventional economics, which has assumed a dominant position in the world economy, is in crisis. One of the causes of this crisis is the crisis of the world economy today. From east to west. Even this crisis has been started long time ago. The conventional economics is powerless to assist the world economy crisis. Ormerod in his book "The Death of Economics" states that the basis of conventional economics, wholly, is deeply flawed. (Ormerod, 1994)

“ISLAMIZATION OF SCIENCES FROM THE MULTI PERSPECTIVE”

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In May 2000, some of French Economics Student wrote an ‘open letter’ aimed at their professors. They criticized how the subject of economics is taught in France. The basic points of their criticism are that most economics course deal with an “imaginary world”, and have no link whatsoever with concrete problem, the domination of formalization in their courses, and the lack of pluralism in the economics degree. (Biencourt, 2001) Nightingale and Potts (2001) asserted that the shortcoming of the western economics come from its treatment of the human agent. Their solutions then is to develop a framework in which agents carry knowledge and interact with other agents to use and create knowledge. That is why it is important to find an alternative framework in order to allow valid generalization to characterize economic theory.

The Islamic Economics scholars have realized the crisis experiencing by the Western Economics, the failure of the western economics was described by Pramanik (1996) as the following.

“The is no denying the fact that common economics even in the presence of all the preconditions has failed to satisfy even the barest minimum of human material wants in this temporal world. This observations holds for all countries regardless of whether it accepts (i.e., Christian world) or rejects (i.e., Communist world) the role of the third and most powerful force i.e., God in terms of how to make use of the nature for the satisfaction of human materials wants.”

The Failure of the western economics has led an effort to find alternatives for economic. Hence, the challenge of constructing an alternative scientific approach to the analysis of economic behavior becomes an area that has attracted increasing attention from scholar. More and more economics are willing to look at different alternative approaches. (Ormerod, 1994) Another reason which has been taken into considerations – far before Ormerod realized the flawed of the conventional economics- as a source of encouragement in finding out an alternative for Western Economic in the non-neutral of the western economics has a certain underlying assumptions and values, which is formed in accordance with western worldview and is molded to suit its own needs but not for other. Hence this unsuitable could have negative and destructive effects.

However, there are different schools of thought in conjunction with this non-neutrality issue. Even some scholars or researchers said that knowledge is neutral. (Rahaman 1988) but there are many more scholars who do not agree with this opinion. To them knowledge is not neutral, since it has some values and underlying assumptions. Thus, the western knowledge does not fit in within the framework of values. Which Islam upholds the certain aspects of it are not in line with Islam and it is inapplicable, we can't just add western science curriculum to the study of Islamic discipline. (Ba-Yunus, 1998).

The above discussion on the problem and shortcoming of economics are some of the trigger of a growing awareness among Muslim Scholars of the need to find out an alternative for Western Economics. This alternative is in the form of Islamic Economics. In order to develop this body of Islamic Economic, there are two alternative ways, namely: developing a framework from Quran and Sunnah.

Given the limitation, our attempt here is to reanalyze the works on Islamization of economics. Within this context this study attempt to describe, analyze and compare the processes adopted by some of those who contributed to the discourse on Islamization of economics, i.e: Ataul Huq Pramanik, F.R Faridi, Muhammad Najatullah Siddiqi, Mohammad Fahim Khan, Monzer Kahf, Mohammad Anwar, and Zubair Hasan. In view the above discussion, this modest study attempts to answer the following questions: (1) what are the processes of the scholars in their efforts to Islamization the economics, and (2) what are the similarities differences of the scholar views?

Islamization of Economics Process

Under discussion of how to do Islamization of Economics, it is obvious that all scholars that we have selected agreed that the approach using in order to Islamize the economics is the pragmatic, step by step or partial approach, instead of the all-or nothing one. However, from our observation, in the works of the Islamic scholars regarding the Islamization of the economics, there is no such the all or nothing approach. Anwar (1990) prefer the partial approach, because the former can certainly lead to gradual transformations of conventional theories into Islamic one and the later – even possible to use – would be very difficult and tedious effort. Hasan (1998) also support the pragmatic approach, to him the evolutionary approach is obviously much more appealing, and in fact this approach is old as Islam itself. Similar to Faridi (1990), he oppose to the revolutionary approach. According to his opinion, the reconstruction of Islamic economic does not mean a total rejection but selective use of the contemporary economics.

Even there is unanimous toward the partial approach among the selected scholars, there also some similarities and differences in term of how to conduct this evolutionary approach. Based on our observation through the scholar's works, it is similar with the general project agenda that there is no such the all-or nothing approach, instead of the gradual approach.

In term of point of departure in redesigned the economics to become the Islamic Economics, there are two schools of thought, namely: the one who used the Quran and Hadiths, and the other used the conventional economics as the point of departures. Eventhough Anwar (1990) and Faridi (1990) agreed the partial approach is a better approach in undertake the Islamization of economic project, but they have different point of departure in conducting this project. Anwar (1990) explained that the first step involve in Islamization process is extracted the corpus containing Islamically valid assumptions, institutions, percepts and postulates related to the economic behavior of individuals and communities from the nucleus. While, Faridi (1990) views Islamic economics should begin with the redefinition of basic concepts of conventional economics and lay down its own premises and axioms. The former used the Quran and Hadith, while the later used the conventional economics as the point of departure. In order to have clearer understanding about the above two schools of thought, we can examine two works on the theory of the consumer behavior, i.e: the works have been done by Mohammad Fahim Khan (1992) that entitle: "Theory of Consumer Behaviour in an Islamic Perspective" and the works by Monzer Kahr (1992), "A Contribution to the Theory of Consumer Behaviour in an Islamic Society".

Within process of Islamizing the economics, some of the scholars focus on man or the one who will conduct the effort even from emphasized much, on the empirical research, as the behaviour and institutional arrangement in the Islamic society did not discover by the

empirical studies, but discovered as envisioned by the Quran and Sunnah. Ghazali and Syed Agil (1989) also admitted that not all of the concept of Islamic economics can be tested.

Another analysis that come to our mind is regarding the critiques that asserted by Sardar (1988,1989). However , Sardar (1998) did suggest for a total rejections with modern knowledge. Even, ultimately Sardar did agree to interact with the conventional economics. He agreed that it is urgent need to integrate the two parallel developments: the effort to Islamize social sciences and the thinking going on i the nature, content and style of a conmporary Islamic science, with condition that we should not trapped in western categories. That is why once we have out catagories we can interact with the conventional economics.

Conclusion

From our presentation above, we identify the similarities and differences of the approaces and processes discussed by the selected scholars who are gave contribution in their evolutionary approach instead of revolutinary one, eventhough within various emphasizeers and focus. For example, the quality of individuals to Islamize and Islamic worldview was discussed by Pramanik (1996), while Faridi (1991) emphasized on the one whom mastering the legacy. Meanwhile, Anwar (1990) discussed the issue or framework, the Islamic epistemology and the method the Islamization of economics will take place. However, the process of Islamization of economics still bear from the shorthcoming and problems, such as the ad hoc manner in integrating the Islamic based economics, and the contemporary Western economics. Further study is needed in order to get more and more enhancement, enrichment and improvement in this process.

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