Methodology of Islamic Economics

Concept of Islamic Economy: Every economic system must be based upon an ideology that provides the foundation and purpose, on the one hand, and the axioms and principles, on the other. Process followed by a set of axioms and principles that are intended for purposes closer the system is a cornerstone of the system that can be tested. Any economic system create a framework in which a community can take advantage of socio-economic and natural resources for the benefit of human production and distribute the results of this production for the benefit of consumption.

Explanation

The validity of the economic system can be tested by internal consistency, compatibility with various systems that regulate other aspects of life, and likely to evolve and grow. Because it is an economic system can not be expected to prepare, for example, the particular composition of export goods in certain countries, the production function is practically useful or mathematically can be managed, or formula on how to enlarge the functions of individual demands in demand nationwide. The components of such economic theory can not begin with the system because the components that arise in the practical application of the system in various conditions of the existing order. By looking at these conditions and within the framework of the economic system which shall apply elements of economic theory can be developed, tested and diteorisasikan.

As a consequence of a system to support the Islamic economy should be formulated based on the Islamic view of life. Various axioms and principles in such a system should be determined exactly and fungsionalisasinya process should be explained in order to demonstrate the purity and aplikabilitasnya. However, the real difference, it should be drawn between the Islamic economic system and every order that comes to him. In Islamic literature about the economy, little attention has been given to this issue. As a result, some books are said to be discussing "Islamic economic system" is actually just talking about his legal background, or sometimes accompanied by some economic principles in Islam. The study of the economic principles that only a few studies pertaining to economic sisterm, just as the study of grammar is just a little offensive skill formation speech alone.

In addition, a distinction must be drawn between the part of the Law (Fiqh) Islamic commercial law that addresses (Fiqhul-Mu'malat) and Islamic economics. Section called the first set in the legal framework for the benefit of the latter, while the latter examines the process and prevention of human activities related to production, distribution and consumption within the Muslim community is limited by the Islamic Economics Islamic Commercial Law, but this is not the the only restriction on the economic studies. Social system of Islam and religious rules have a lot of influence, or even more, against the economic coverage as compared with its legal system.

The lack of distinction between Fiqhul-mu'amalat and Islamic economics as it is another source of error in the literature regarding the concept of Islamic economics. Some books use the tools of economic analysis in the fiqh, while others examine the books of Islamic economics from the viewpoint of fiqh. For example, the theory of consumption is sometimes turned into a restatement of Islamic law on some foods and beverages, not the study of consumer behavior towards sejum1ah consumer goods available, and the theory of reduced production of meaning as the study of the ownership rights in Islam are not focused on the behavior enterprise as a productive unit.

Another thing that is not profitable to discuss the terminology of Islamic economics Fiqhul-mu'amalat is that the approaches like that, basically, fragmented and lose its comprehensive linkages with economic theory. Perhaps it is this which cause the absence of monetary theory makroekonomik in all the literature on Islamic economics.
The study of history is very important for the economy because of the history of mankind is a laboratory. Economics, as one of the social sciences, need to go back to history in order to carry out experiments and lower-term trends in a variety of changes ekonomiknya far. History provides two main aspects to the economy, namely the history of economic thought and the history of economic units such as individuals, corporate entities and economics (itself).

Little is done to show the history of Islamic economic thought. This is unfortunate because throughout the history of Islamic thinkers and Muslim political leaders have developed their economic ideas in such a way that requires us to consider them as the true originator of Islamic economics. Research is needed to show the economic thinking of the great Islamic thinkers such as Abu Yusuf (d. th. 182 H), Yahya bin Adam (died th. 303 H), al-Ghazali (died 505 AH), Ibn Rushd (d. th. 595 H), al-'Izz ibn 'Abd al-Salam (d. th. 660 H), al-Farabi (died th. 339 AH), Ibn Taymiyah (died th. 728 H), al-Maqrizi (died th. 845 H), Ibn Khaldun (d. th. 808 H), and many others.

The study of the history of economic thought in Islam as it will help to find sources of contemporary Islamic economic thought, on the one hand and on the other hand, will give us the possibility to gain a better understanding of Islamic economic thinking about the trip so far. Both will enrich contemporary Islamic economy and opening wider range for the conceptualization and application.

Study of the historical development of Islamic economics is empirical tests are necessary for any economic ideas. It has very important meaning, especially in the field of economic policy and public finance. But the warning against the two dangers need to be raised if the historical aspects of Islam was investigated. First, the danger kejumbuhan between theory and its applications, and second, restrictions theory with history. The first danger arises when the modern Muslim economics thinkers do not distinguish clearly between the conception of Islam and its historical applications.

This can be seen very clearly in the scope of state finances, because almost all the books about the financial state is in the library of contemporary Islam considers the sources of the state as the sources that exist at the time of the Islamic state, since the time of 'Umar ibn al-Khattab until the time of Harun al -Rashid. Very little attention is given to the development of theories about the financial state, based on the Quran and the Sunnah of the Prophet SAW. This is reflected in their financial history in Islamic countries which have very little give aplikabilitasnya ksempatan to test at present because of the atmosphere due to changes in all Islamic countries.

The second danger arises when economists Islam considers historical experience that binds to the current period. This is reflected in the inability to mengancang Qur'an and Sunnah directly, which in turn led to the theory of Islamic economics and not purely historical are ideologik.

The design of the historical study of Islamic economics is sometimes applied in relation to Muslim societies today. This is reflected in an Islamic economy which only speaks of wealth and income, undue consumption and so on, instead of coping mechanisms makroekonomik of the Islamic economic system. There is no doubt that some of the problems in Islamic countries now turns serious and important, and that the issues should be discussed within the framework of Islamic economics, however if the Islamic economic system is a system that subject, for example, the nationalization of industry and settlement of land ownership (land reform), then what will happen after all this been achieved? What can be done by systems such as, say, for the industry which has been rationalized or land (ownership) has been reorganized it?
The boundaries between the Islamic economic system that can be applied to the economy is healthy with normal growth, on the one hand, and emergency measures that can be taken by officials responsible for the economy to discuss issues such as the role of inequality in the distribution of goods, or poverty, on the other hand, should be given demarcation (as well). Without such demarcation, an Islamic economy would be a partial review of the symptoms of the transition that will lead to waste after the construction of Islamic countries, this does not mean that issues such as development problems that may not get immediate attention from economists Islam is, but rather must be understood that these issues must be addressed in the framework of the general theory of Islamic economics is to maintain its relevance to all stages of economic development and political atmosphere.

Diversification of Islamic literature on the economics of modern arising from the difficulty inherent in this type of study. There is absolutely no "Islamic Economic Theory" is written in a strict sense. Moreover, even maybe a lot of people objecting to use of the term "Economic Theory" on the grounds that if a theory is the interpretation of some aspect of reality, can mean there are many theories that adopt the philosophic values of Islam in the interpretation of economic reality. The ambiguity between these two views have prompted some authors to display a very narrow view of the economic philosophy of Islam and frame them in a very limited manner inconsistent with the theoretical implications of this philosophical values. (The first attempt to establish the boundaries of demarcation between the Islamic economic philosophy and economic theories of the writers of the economy by as-Sadr in 1964. He was followed by MN Siddiqi in 1971.

The second type of difficulty faced not only by research in the field of Islamic economics but by all the studies that address various social aspects of Islam, he emerged from the nature of the sources of Islamic law itself. The Qur'an and the Sunnah of the Qur'an is the word (kalam) of Allah revealed to Prophet Muhammad, as a guide for the life of human behavior, the Bible is not arranged in sections and chapters, which deal respectively, of human life such as Law, Politics, Economics and so on, and also not given the titles in the can find a variety of applications and the rules derived therefrom. Sometimes it is the exact details, for example, in relation to inheritance law. In other matters he only alludes to the solution in outline, which indicates that it should be the 'ulama' and Muslim thinkers can develop and complete the details which are not based on these principles and with due regard to the situation.

Mengancang and develop such theories it is the duty of Muslim scholars, and the results obtained from these efforts can not be associated either with God or with the Qur'an. Which can be raised about this that he is a view (scholars) Muslims but not Islam's view, because the implications of their situation against theorizing can not be denied. In addition they do not have the authority to interpret it.

Indeed no one else has such privileges. The second source, ie the Sunnah, the Prophet is the understanding and application of the Qur'an. The difficulties presented by these sources arises from the fact that the Prophet when, at the same time, is also head of state. Because it is very difficult to distinguish between the attitude-his attitude toward the teachings of the Qur'an which is permanent and binding forever, and to the rules associated with the various situations in the period of his life, in addition to the difficulties mentioned above. The first efforts made in earnest to raise the intricate details megenai in economics from the Qur'an and Sunnah made it into the theory in 1964, yet again, by as-Sadr.

The last statement in this section will discuss the methodology of analytical tools. Islamic literature that there are now economic nengenai using these two kinds of methods. First is the
method of deduction and the second method etrospektif thinking. The first method was developed by Muslim jurists, Fl-Iqlalta', and is known among them, applied to modern Islamic economics to show the principles of the Islamic system and its legal framework in consultation with the Islamic sources, namely the Qur'an and the Sunnah. The second method used by many contemporary Muslim writers who feel the pressure: poverty and backwardness in the Islamic world and trying to find different solutions to economic problems of Muslims to return to the Qur'an and Sunnah to seek support for these solutions and test taking into account the instructions of God.

The review in this discussion use both methods. But we need to realize that these two methods are basically applied in the study of the rules and principles of Islamic economic system but few can be applied in the study of macroeconomics and general equilibrium in such an economic system, or even in a study of theories of consumption and certain mathematical. Therefore this study will apply the tools of mathematical analysis known in modern economic theory whenever deemed necessary or beneficial. Indeed, the actual method used was actually the fuqaha are mathematical in spirit and tendency.

Sources: