

# The Concept of Economic Development in The Thought of Selected Muslim Scholars

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## Abstract

**Objective** - Islam is a total way of life, and covers all dimensions of life. The life of the world is temporary; it is simply a transitional place before one embarks on final destination. Bearing this mind, the worldly life should be framed within Islamic paradigm, but that should not hinder Muslims to make progress and development in this temporary world as evidenced in history. During the “golden era” of Islamic civilization, Islam had produced such brilliant scientists as Ibn Hayyan (ca. 8th – 9th centuries), al-Kindi (801–873), al-Khawarizmi (ca. 8th–9th centuries), al-Battani (850–922), al-Razi (ca. 854–925/935), al-Farabi (ca. 870–950), Ibn Sina (908–946), al-Zahrawi (936–1013), Ibn Hayyan (965–1040), Omar Khayyam (1048–1131), and Ibn al-Nafis (1213–1288). In economic, Islamic civilization gave birth to scholars like al-Ghazali (1058–1111), al-Mawardi (1075–1158), Ibn Taimiyah (1263–1328), Ibn Khaldun (732-808), al-Maqrizi (1364-1442), and many others who had made great contribution to the development of Islamic economic thought. This paper is an attempt to explore the ideas and thoughts of those Muslim scholars on the concept of economic development and its relevance to the contemporary era.

**Method** - Content Analysis

**Result** - Economic development is one of the objectives in achieving the welfare of the ummah and it must be based on Islamic values

**Conclusions** - Economic development is one of the objectives in achieving the welfare of the ummah. However, development must be based on Islamic value. Various scholars of classical and contemporary thought in the concept of development provide an opportunity for us to improve the current condition of the ummah.

*Keywords*

: Economic Development, Science and Technology, Islam, Scholar

## Abstraksi

**Tujuan** - Islam adalah jalan hidup yang lengkap, dan mencakup semua dimensi kehidupan. Kehidupan dunia bersifat sementara, dan hanya tempat transisi sebelum mencapai tujuan akhir. Mengingat hal tersebut, kehidupan duniawi harus dibingkai dalam paradigma Islam yang tidak menghalangi umat Islam untuk membuat kemajuan dan pembangunan di dunia sebagaimana telah dibuktikan dalam sejarah. Selama "era keemasan" peradaban Islam, Islam telah menghasilkan ilmuwan cemerlang seperti Ibnu Hayyan (ca. 8 - abad ke-9), al-Kindi (801-873), al-Khawarizmi (abad ke-8 ca. - 9th), al-Battani (850-922), al-Razi (ca. 854-925/935), al-Farabi (870-950 ca.), Ibnu Sina (908-946), al-Zahrawi (936-1013), Ibnu Hayyan (965-1040), Omar Khayyam (1048-1131), dan Ibn al-Nafis (1213-1288). Dalam ekonomi, peradaban Islam melahirkan ulama seperti al-Ghazali (1058-1111), al-Mawardi (1075-1158), Ibnu Taimiyah (1263-1328), Ibn Khaldun (732-808), al-Maqrizi (1364 - 1442), dan banyak Ulama lain yang telah memberikan kontribusi besar bagi perkembangan pemikiran ekonomi Islam. Tulisan ini merupakan upaya untuk mengeksplorasi ide-ide dan pemikiran dari para ulama Muslim pada konsep pembangunan ekonomi dan relevansinya dengan era kontemporer.

**Metode** – Content Analysis.

**Hasil** - Pembangunan ekonomi merupakan salah satu tujuan dalam mencapai kesejahteraan umat dan hal tersebut harus didasarkan pada nilai-nilai Islam.

**Kesimpulan** - Pembangunan ekonomi merupakan salah satu tujuan dalam mencapai kesejahteraan umat. Namun, pembangunan harus didasarkan pada nilai Islam. Berbagai tokoh pemikiran klasik dan kontemporer dalam konsep pembangunan memberikan kesempatan bagi kita untuk memperbaiki kondisi umat saat ini.

Kata Kunci : Pembangunan Ekonomi , Ilmu Pengetahuan dan Teknologi , Islam , Scholar

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## 1. Introduction

Development is defined as creating process of welfare and providing necessities for public to maintain opportunities and choices of a society (Gharehbaghian, 2000). It certainly will affect the social and economic life of society. And that effect should be viewed from two aspects, namely: the positive and negative aspects. For, on the one hand, development can increase the welfare of society, but on the other, it can also cause suffering to the people. If the development is merely focused materialistic aspect, with exploration and exploitation of economic resources without limit in order to increase growth and revenue, it will certainly bring damage and destruction to mankind. As Allah mentioned in al-Quran:

*And cause not corruption upon the earth after its reformation.....” (Al-A’raf:56)*

*Corruption has appeared throughout the land and sea by [reason of] what the hands of people have earned so He [i.e., Allah] may let them taste part of [the consequence of] what they have done that perhaps they will return [to righteousness]. (Ar-Ruum: 41)*

Development should be balanced between physical and spiritual, worldly and hereafter, material and spiritual. As the Caliph Ali has emphasized that there are four main issues in his general guidance: the moral issue, justice, peace, security, and economic prosperity (El-Ashker & Wilson, 2006). When these principles are observed, development will be able to meet the effort of the community in achieving a higher purpose (Zaman, 2009). By balancing these seemingly two contradictory aspects of development, it will create a balance of the life cycle of natural human being, so that, they can meet each other. In addition, people will try to synchronize the achievement of well-

being by interacting with the natural life. This interaction needs to be done in maintaining harmony in order to maintain continuity of human life and other creatures.

Mufti Shafi (Zaman, 2009) goes on to explain that in Islam, economic activity is a means to an end, and not an end in itself, because of concerns with human responsibility as caliph of Allah. Therefore, in Islam there are two accountability, namely; transcendental accountability to Allah SWT (*Hablumminallah*); social accountability to the society (*Hablumminan-nass*); individuals as trustees or caliph; success in this world and hereafter (al-falah); economic goals beyond purely wealth but include tazkiyah (purification of self and wealth) (Hameed, 2006). Al-Ghazali (Ghazanfar and Islahi, 1997) have clearly explained about the wealth, while the ultimate goal of life is in Hereafter, the pursuit of economic activities is not merely desirable -- it is imperative for salvation. Indeed, he suggests that one of the reasons for separation of days and nights is to utilize the days for the satisfaction of worldly needs.

In improving the temporal needs within the framework of Islam, of course, requires a process of development. This process will be passed if the method of construction as a whole is run by religious values. The Islamic method of development is aimed to restore mankind to its original divine nature by returning to first priorities: The first priority of development is the welfare of Man himself--, while Man's place in this world is transcendental and he is the driving force of the development process (El-Ghazali, 1994). Therefore, this paper will attempt to explore the ideas and thoughts of Muslim scholars on the concept of economic development and its relevance to the contemporary era.

## **2. Methodology**

This research employed library research method since this paper relies on secondary data by thoroughly reviewing the most relevant literature. The paper attempt to explain sequencely about Economic Development in Islamic Framework and The View

of Muslim Scholar regarding Economic Development. After reviewing the concept, it continuously followed by the discussion about the researcher's opinion.

### 2.1. *Economic Development in Islamic Framework*

Islam is a comprehensive and integrated system of individual, social, material and moral life (At-tahan, 1999). This system has provided guidance in carrying out the process of economic development. The *Quran* and *Sunnah* have put the basic framework and guidelines for a structured development. In setting policy and development models for economic development, all dimensions of life such as social, political, cultural and others should be taken into consideration. This is in contrast with western concept of development.

According to Sjoberg the traditionalist norms of preindustrial societies have broke down as a result of economic development applied by the west. The role of religion in shaping social and cultural attitudes, as well as in controlling secular activity, declines in modernized societies. Economic development demands, first and foremost, a rationalistic approach to economic achievement. This necessitates that the content of the educational system cannot any longer be left to the control and influence of the religious establishment but has to embody a secular scientific rationale and must be controlled by a secular institution (Anshori,1994).

The western concept of economic development generally becomes the basis for the world economic development. Even Islamic countries mostly have adopted this model without any reserve. The result, however, is not development and progress; on contrary the decline and retardation, because many things that occur are in clear contradiction with norms and values of Islam. Sharif (1985) notes that economic development in Islam should reflect the notion of *'adl* and *ehsan*. The word *'adl* (justice) here should cover at least 4 types of justice: human justice, social justice, economic justice and self justice.

Sharif furthermore (Ahmad, 2006) suggests that there is a need to implement the sense of obligation in the process of economic development. This includes obligation to work, obligation to organize economic activity, obligation to distribute justly, and obligation to deal with poverty. Meanwhile, Ahmad (2006) offers the concept of economic development through an approach based on values rooted in the Qur'an and the Sunnah. In this connection, he cites four philosophical foundations of the development in Islam which include: *tawhid* (God's unity and sovereignty), *rububiyyah* (divine arrangements for nourishment, sustenance and directing things towards their perfection), *khilafah* (man's role as God's vicegerent on earth), and *tazkiyah* (purification plus growth). For Chapra (1993), however, economic development in the Muslim world is supposed to be based on three important principles; *tawhid* (Oneness and unity of God), *khilafah* (vicegerency of human beings), and *a'dalah* (justice).

The various concepts show that the essence of the concept of economic development should be in line with the Islamic worldview which primarily based on Qur'an and Sunnah. Yet, those concepts are still too vague as to how they can contribute to economic development process. The question which is important to raise here is as how to synchronize those concepts with the realities of contemporary era. To answer this, the question of methodology becomes a must to be understood. For only by so doing, one can fully understand and appreciate the essence of the concept of economic development in Islam and hence can create a model for economic development to build the economy.

## 2.2. *The Views of Muslim Scholar regarding Economic Development*

Development is a concept associated with improvement (Cook, 2008). It is no longer seen only as a process of capital accumulation, but as a process of organizational change, the development of wealth, infrastructure, comforts, conveniences, technology, and resources (Jacobs *et al.*, 1997). The process of welfare creates and provides

necessities for public to maintain opportunities and choices of a society (Gharehbaghian, 2000). Others opine that development is not an abstract. It is a real change in the life of people; it means enabling those people to be better off and build a better life for themselves (Jacob et al., 1997). In fact, the main goal is to achieve sustained economic growth and promote sustainable development to eradicate poverty (Bayraktar, 2003).

Development in Islam has to reflect the following concepts: *Tauhid* (God's unity and sovereignty); *Rububiyyah* (divine arrangements for nourishment, sustenance and directing things towards their perfection); *Khilafah* (man's role as God's vicegerent on earth); *Tazkiyah* (purification plus growth) (Ahmad, 2006). The development has a comprehensive character and includes moral, spiritual and material aspects (Ahmad, 2006). Islamic development is also dogmatic, receptive to the concept of priori and theology, and intimately interwoven with Islamic values. The determining factor is religion, the added, or the superstructure (Salleh, 1999). Islamic development emphasizes two key factors. One is the natural resources and the other is human resources (Islam, 1987).

Islam has provided a framework for the development which aims to achieve an equitable distribution of resources between present and future generations. Islam also emphasizes the need to give the poors their rights in such a way that their pride and dignity are well preserved.

### 2.2.1. *Al-Biruni (973 – 1048)*

Al-Biruni (Beruni), Abu'l-Rayhan Muhammad Bin Ahmad, is also sometimes called by the nisba Alkhawarizmi. He is well versed in the mathematical, astronomic, physical and natural sciences and also distinguished himself as a geographer and historian, chronologist and linguist and as an impartial observer of customs and creeds. He is known as *al-Ustadh*, "the Master" (Kramers et al., 1986). He was born in 362H, 3 Dhu-alhijja (A.D. 973, 4<sup>th</sup> September), and died in 440 H, 2 Rajab (A.D. 1048, 11<sup>th</sup>

December), aged seventy-five years (Al-Biruni, 1879) in the suburb (*birun*) of Kath, capital of Khwarizm (the region of the Amu-Darya delta, now the autonomous republic of Karakalpakistan on the southern shores of the Aral Sea).

Al-Biruni, henceforth retained at the Court of Ghazna, possibly as official astrologer, accompanied Sultan Mahmud on several of his military expeditions to north-west India. Here he taught the Greek sciences and received in exchange, with his initiation into Sanskrit and various dialects, the incalculable sum of knowledge which he put into his *Description of India*, completed in 421/1030 short years after the death of Mahmud (Kramers, 1986): the *Kitab ta'rikh al-Hind (A History of India)*, this book was translated in English language by Sachau in two volumes. Besides that, he wrote another books called *Kitab Al-Qaman al-Masu'di*, *Kitab as-Saydah* and al-Biruni had written an abstract of geometry, arithmetic, astronomy and astrology: the *Kitab al-tafhim li-awa'il sina'at al-tanjim*, English translation facing the text by R. Ramsay Wright, London 1934 (Kramers, 1986).

According to Latief (2006) many scholars have studied al-Biruni's treatises, among them Edward Sachau (1910), Arthur Jeffery, Kamar Oniah Kamaruzzaman, Franz Rosenthal, Bruce Lawrence, Jaques Waardenburg, and so on. In the Hosseini article stated that, medieval Muslim thinkers discuss various other issues, including production and its efficiency, the economic function of the state and regulation, diversification of assets as a hedge against loss, economic development and many more. They also anticipated many modern economic concepts, including the Malthusian theory of population, several writers – Ibn Miskaway, Nasir Tusi, Asaad Davani, and Biruni (Hossein, 2003). As an Iranian socio-economist, al-Biruni was one of the medieval Muslim thinkers as a precursor of Malthus and Darwin. It is true he recommends moderate population growth. Others have read in his writings the outline of a quantitative theory of money (Baek & Baek, 1987). Al-Biruni warned of the problem of over



population, argued that the growth of anything is limited by the environment accessible to it, and recognized that since the capacity for growth of a species in number is unlimited, its actual growth is restrained by limiting and (apparently) almost exclusively external agents. Al-Biruni observed, as did Charles Darwin upon reading Malthus, that the pressure of increasing numbers will give rise to natural selection (Hamid, no year).

In the context of economic development of the family, Al-Biruni gives an illustration of the importance of the distribution of wealth. He stated that: “No nation can exist without a regular married life, for it prevents the uproar of passions abhorred by the cultivated mind, and it removes all those causes which excite the animal to a fury always leading to harm. Considering the life of the animals by pairs, how the one member of the pair helps the other, and how the lust of other animals of the same species is kept aloof from them, you cannot help declaring matrimony to be a necessary institution; whilst disorderly cohabitation or harlotry on the part of man is a shameful proceeding, that does not even attain to the standing of the development of animals, which in every other respect stand far below him” (Sachau, 1910).

Al-Biruni argued that the need for a relationship between fellow Muslims. By building positive thoughts and filter out ideas that are contrary to Islamic values .

“That a Muslim author should investigate the ideas of idolaters, and not only such as Muslims may adopt, but also such as they must reject and condemn, that he quotes the Koran and the Gospel side by side (p. 4-5), is a proof of a broadness of view and liberality of mind more frequently met with in the ancient times of Islam, in the centuries before the establishment of Muhammadan orthodoxy by Alghazzfili (died A.D. mi), than later. There was more field for utterances of mental individuality before the ideas of all the nations of Islam were moulded into a unity which makes it difficult to recognize the individual influences of every single nation on the

general development of the Muhammadan mind, before all Islam had become one huge religious community, in which local and national differences seem to have lost most of their original importance for the spiritual life of man” (Sachau, 1910).

### 2.2.2. *Ibn Sina (980 – 1037)*

Avicenna, whose full name was Abu ‘Ali al-Husayn ibn Abd-Allah ibn Sina, was the most renowned and influential philosopher of medieval Islam. He was a Persian that born in 980 C.E. in Afshana, his mother’s home town near present-day Bukhara, Uzbekistan, during the reign of Amir Nuh ibn Mansur al-Samani (Lewis et al., 1986). born near Bukhara, then the capital of the Persian Samanid dynasty. He received some of the basic Islamic religious education, then studied logic, mathematics, the natural sciences, philosophy, and medicine, mastering these subjects by the age of eighteen. A certain al-Natili introduced him to logic, geometry, and astronomy, but Avicenna was largely self-taught.

Ibn Sina wrote over 250 works, including books, odes, and essays. The most important of his philosophical books are *Kitab al-shifa (The Book of Healing)* which was known in Latin as *Liber Sufficientia*. Each has four parts, the first three being logic, physics, and metaphysics. The first work closes with a part on mathematics, the second with one on Sufism (Martin, 2004). Ibn Sina also wrote an encyclopedic book on the healing arts titled *The Canon of Medicine (Al-Qanun fi al-tibb)*, which drew extensively on Greek and Arab medical literature and even some of his own personal experience. Another book is *Kitab al-najat (Book of Deliverance)*, led many to regard him as being the authoritative Neo-Platonist integrator of the Aristotelian corpus. In his work *Kitab al-hudud (Book of Definitions)*, Ibn Sina founded a proto theory of meaning that was partially embodied. One of his important achievements in natural philosophy is attested to

in his account of the soul in *Kitab al-nafs* (Treatise on the Soul). In a mystical tone that becomes most pronounced in *Kitab al-isharat wa-l-tanbihat* (Book of Hints and Pointers) (Meri, 2006).

Ibn Sina book on the topic of “*al-Siyasat al-Manziliyya*” as the main book source of literatures of *ilm tadbir al-manzil* that were written after that. Ibn Sina says ‘man’ is an insufficient creature for his need. He compares ‘man’ with animals. ‘Man’, apart from his daily food and water needs, should also be provided with his tomorrow’s needs. That’s why ‘man’ is in need of a ‘house’ and a woman (Yurdakok, 2008). Another economic idea from Ibn Sina were wrote a short treatise on “*Tadbir al-Manzil*” in which he considered elements of political community, social organization, and management of income expenditure, dividing society into two categories: first, a leisure class and a class who must work in commerce and industry in order to supply the city with the means of subsistence.

This class division of society closely reflected aristocratic social structure on the time. In this hierarchy, governmental function has the highest status, followed by intellectual profession such as astrology and medicine, ending with military nobility. Those in a privileged status must allocate part or their surplus to zakat, a purifying tax used for the relief of the poor and one of the five pillar of Islam, reserving the rest to provide for the own future. Ibn Sina (Ahghari, 1991) maintained that expenditures should conform to justice, which requires following a middle way, the way of *iqtisad*.

### 2.2.3. *Al-Ghazali (1058–1111)*

Abu Hamid Muhammad bin Muhammad al-Ghazali (or al-Ghazzali) (1058/9–1111) was born some seven years before the Battle of Hastings, the Norman conquest that transformed England (Richard: p. 274). The eventful life of Abu Hamid Muhammad ibn Muhammad al-Ghazali (or al-Ghazzali) can be divided into three major periods. The first

is the period of learning, first in his home town of Tus in Persia, then in Gurgan and finally in Nishapur.. Many Al-Ghazali's work has inspired the development of science. He composed those instructive works, on various branches of knowledge the most celebrated of which are *the Wasit* (medium treatise), *the Wajtz* (compendium), *the Khulasa fi'l-Fikh* (Quintessence of jurisprudence) and the *Ihya ulum al-din* (Revival of the sciences of religion), a treatise of polemics, entitled *al-Manhul wa'l-Muntahal* (doctrine falsely attribute to others and falsely claimed), the *tahafut al-falasifa* (Incoherence of philosophers), *the Miyar al-Ilm* (the weighing - scale of science), *the Makasid* (al-Falsafa) (Khallikan: 1843, p. 625), *Bidayat al-hidayah* (Beginning of Guidance), *Nasihah al-muluk* (Counseling Kings). *al-Iqtisad fil-i'tiqad* (Median in Belief), *Kimiya-ye sa'adah* (Alchemy of Happiness), and the other books.

*Ihya Ulum al-Deen* is famous work by Al-Ghazali (tt, p. 230). In this book, his explained that, all economic activities are undertaken to provide for three basic human needs: food, clothing, and shelter. However, this meaning of basic needs is flexible and may be more inclusive, depending upon conditions prevalent in a given society and at a given time, but consistent with the Islamic *shariah*. Indeed, the list may include such economic and socio-psychological needs as furnishings, property, status and prestige, and even marital relations, in addition to the aforementioned basic needs. All of these (and others) are recognized as significant human needs.

The Al-Ghazali book (*Ihya Ulum al-Deen*) is one that became the inspiration for Ghazanfar and Islahi in the conducting research on the economic thought of Al-Ghazali. In their study, Al-Ghazali argued that, all economic activities are undertaken to provide for three basic human needs: food, clothing, and shelter. However, this meaning of basic needs is flexible and may be more inclusive, depending upon conditions prevalent in a given society and at a given time, but consistent with the Islamic *shariah*. Besides that, Al-Ghazali's discussion of basic needs and the hierarchy of consumption satisfaction

leads one to examine his views concerning wealth and poverty in a society. According to al-Ghazali, there is nothing necessarily condemnable about the acquisitive behaviour of people, for the desire to acquire wealth and property is part of human nature and a means to achieve higher level of material well-being. Al-Ghazali does not discuss specifically the various economic functions and responsibilities of the state in the manner and style as one would find such discussions in texts today. Among other things, however, he clearly identifies and discusses the types of state functions that are often attributed to the classical economists, such as Adam Smith and others. He mentions that in order to promote economic prosperity, the state must establish justice and provide conditions of peace and security so that healthy economic development could take place (Ghazanfar & Islahi, 1997).

Meanwhile, Cizacka conduct studies on the concept of intergenerational Al-Ghazali optimum suggested that, Al-Ghazali even considers the acquisition of goods for the fulfillment of needs as a form of worship. Wealth, for instance, is needed for the fulfillment of the pilgrimage. Consequently, accumulation of capital, according to al-Ghazali, becomes a form of worship (Orman, 2002). Freedoms of thought and worship; property and human rights constitute the other tenets without which contemporary advanced societies cannot be imagined. We can find these rights enshrined in the *maqasid al-Shari'ah* as envisaged by Imam al-Ghazali. Therefore, All the basic concepts and institutions of successful modern societies are either compatible with or developed by Islam,...so Islam does not constitute an impediment to modern economic and political structures. On the contrary, providing Muslims interpret its (Cizacka, no year).

#### 2.2.4. *Ibn Khaldun (1332 - 1404)*

Abu Zayd 'Abd al-Rahman Wali al-Din al-Hadrami, known as Ibn Khaldun, was born in 1332 in Tunis. He is popularly known in the East as well as the West, is

considered to be the father of the Science of History, He successfully endeavored to transform the history of king and even of prophets into the history of the people, their thoughts and feelings and their institutions and tried to develop history as a scientific and objective discipline. One may say that he is the father of modern history which he developed as the part of social philosophy (Laliwala, 2005). He is best known as the author of *Muqaddima* (Introduction), the first part of his universal history titled *Kitab al-Ibar*. This introduction serves as prolegomena to the study of history, in which Ibn Khaldun developed the concepts he felt were necessary to comprehend human civilization. While his universal history is generally considered not to have met the standards detailed in the introduction, his work *Muqaddima* is commonly regarded as one of the most significant works of medieval Muslim civilization (Mer, 2006). Another books, Ibn Khaldun also wrote a special book on Sufism entitled *Shifa' al-sa'il li-tahdib al-masa'il*.

Ibn Khaldun (Zohreh, 1991) has been praised as the greatest historian and philosopher over producer by Islam and his famous work *The Muqaddimah*. A distinctive feature of Ibn Khaldun's approach to economic problem, is his keenness to take into consideration the various geographical, ethnic, political and sociological forces involved in the situation.--- The vast scope of Ibn Khaldun's economic thinking covers the theory of value, the price system, the law of supply and demand, production, distribution and consumption of wealth, money and capital, division of labor, capital formation and economic development and growth, slump and trade cycle, international trade, population, etc.

In the theory of value, Ibn Khaldun gives a central place to labor. Labor, he remarked, is desirable because of "the value realized form it" in the form of output. Demand is the source of value and labor is entirely responsible for supply; or predominantly responsible, in that all or most of the ingredients of the price of output consist in "the share of labor" (Zohrer: no year), another explained by Ibn Khaldun is the

stages of economic development in consumption patterns. He traced the stages of economic development and expansion of wants and consumption through stages of society and dynasties. He did not expect the standard of life to lag behind the capacity of an economy to provide for it, nor did he anticipate a constructive dearth of expenditure.

Karatas (2012) explains about economic development in Ibn Khaldun thought, namely the protection and the enforcement of property rights had to be defended as a matter of justice for the survival of civilization, the protection and the enforcement of property rights had to be defended as a matter of justice for the survival of civilization.— Ibn Khaldun predicts the decline of economic activities when the property rights are not protected and enforced with the following statements: “When attacks (on property) are extensive and general, extending to all means of making a livelihood, business inactivity, too, becomes (general), because the general extent of (such attacks upon property) means a general destruction of the incentive (to do business). If the attacks upon property are but light, the stoppage of gainful activity is correspondingly slight”

Chapra (2006) tried explain about the “Ibn Khaldun multidisciplinary dynamic theory of development”. This theory argues that the development or decline of an economy or society does not depend on any one factor, but rather on the interaction of moral, social, economic, political and historical factors over a long period of time. One of these factors acts as the trigger mechanism and, if the others respond in the same direction, development or decline gains momentum through a chain reaction until it becomes difficult to distinguish the cause from the effect. Accordingly, success of economic development essentially underpins for the well-being and welfare of the people (Low, 1999).

### 3. Results and Discussions

#### 3.1. Critic Muslim Scholar Toward The Concept of Economic Development in Capitalism and Communism

The concept of economic development within the framework of capitalism (read western) has generated a lot of problems for the sustainability of the world economic system. War, exploitation of natural resources, the orientation of materialism, individualistic behavior, etc., are the essence of the idea of capitalist thinking. Therefore, the question that arises is whether the concept of capitalism in the economic development process is always able to solve the economic problems of the world?

This question has even been expressed Schumpeter in his book entitled *Capitalism, Socialism and Democracy* as follow: “Can capitalism survive? No, I do not think it can. Thesis I shall endeavour to establish is that the actual and prospective performance of the capitals system as such....that its very success undermines the social institutions which protect it, and inevitably creates conditions in which it will not be able to live and which strongly points to socialism as the heir apparent”. Problem of the existence of this concept is the arrogant attitude, and self-centered and always feel right, has caused the world economic system leads to destruction.

Sadr criticized the idea of capitalism is about freedom. According to him, in Capitalism does not look upon the individual’s right to his private property of the natural wealth as a phenomenon of benefit to society but the right of the individual is interpreted as capitalistically as the greatest share of freedom in every field. It is natural therefore that it may not limit it except by other person’s freedom, so, in capitalist system an individual has the right to utilize his property in any way he likes so long as he does not deprive others of their formal freedom (as-Sadr,1994). In addition, Abu Su’ud (1967) made a comparison between Islamic and materialistic (western and communism) ideologies, it can particularly mention the following:



Materialism, as utilitarianism, is an ideology aiming at realizing the welfare of human beings through purely materialistic satisfaction. For Muslim, moral exaltation through contacting the creative power and serving humanity is the ideology. Matter is only a means to that end.

Materialism, the individual is a part of a society which imposes its materialistic doctrine, and accordingly restricts man's liberty of thought. In Islam the individual is the nucleus of society which abides with the Islamic teachings leaving ample freedom of thought and action to the individual.

Under materialism, matter supersedes and drives individuals and society like. In Islam matter is subservient to individuals and society.

However, the idea of capitalism is still in use. It can take a look at Smith's (2010) explanation that the fundamental principles and rules for reproduction that define any capitalism and shape the dynamics of capitalist economic development:

“Producers are dependent upon the market: Capitalism is a mode of production in which specialized producers (corporations, companies, manufacturers, and individual producers) produce some commodity for market but do not produce their own means of subsistence. Workers own no means of production, or insufficient means to enter into production on their own, and so have no choice but to sell their labor to the capitalists.

Competition is the motor of economic development: When producers come to market they're not free to sell their particular commodity at whatever price they wish because they find other producers selling the same commodity. They therefore have to “meet or beat” the competition to sell their product and stay in business. Grow or die' is a law of survival in the marketplace: In the capitalist mode of production, most producers

(there are some exceptions) have no choice but to live by the capitalist maxim “grow or die”.

The freedom of the individual and the importance of materialism are exalted. The Western model is characterized by freedom of enterprise, the profit motive, private ownership, the market mechanism, the credit mechanism and competition (El-Ghazali, 1994). In addition, the economic problem, in the opinion of capitalism, is this that the natural resources of wealth cannot keep pace with the civilization and guarantee a satisfaction of all the needs and desires that remain ever growing with the development of civilization. Marxist is of the opinion that the economic problem is always the problem of inconsistency between the form of production and the distribution relations. Therefore, when there was consistency between that form and these relations, there was stability in the economic life, irrespective of the social system resulting from the agreement between the form of production and the distribution relations (as-Sadr, 1994).

On the other hand, neo-classical economic theory is based on the assumption of competition between self-interested individuals (Zaman, 2009). Therefore, in conventional economic theories, standard prediction that improvements in the material and social well-being of the majority are causally and negatively related to economic growth and development is highly misleading, predicated upon a static analytical framework, one that pays no heed to the dynamic positive relationship between improvements in the material well-being of the people writ large and both economic efficiency and growth. The conventional wisdom still largely predicts a negative relationship between income equality, levels of labor compensation, ethical behaviors and growth (Altman, 2008), with the aim of improving the welfare of society.

Obviously above concept is contrary to the basic balance in Islam, where the welfare in social-economic development, cannot defined be based on economic concept, material and hedonism, but must put into humanity and spirituality purpose that include

set of problems human brotherhood and social economic justice, purity of life, honor an individual, honor of property, peacefulness and happiness of mind with harmony of family and community life. Besides that, the social welfare is determined not by the surplus over and above the satisfaction of one's basic needs of life; rather it is to be measured by the amount one is able to spare after enjoying the standard of living which is commonly enjoyed by men of one's rank and situation in life (Yusuf, 1988). Therefore, social-economic development should promote economic 'polyculture' rather than 'monoculture' as a means to secure human development and protection against economic risk (DeMartino, 2008).

Even Sadr's key concern is to shift the focus of development from a macro-social to the micro-individual level. An Islamic model of development, as Sadr's sets out, is fast and foremost one for human values development. For Sadr, culture and values development must precede any other kind of development for a Muslim society, where the practice of Islamic values is a way of life and a journey towards God. Values education then should be prophetic education which focuses on teaching people how to develop themselves and accordingly to reach God. Sadr also argues that economic development cannot be obtained without the establishment of social justice. The establishment of the latter should be based on culture and values development, which profoundly relates to the resolution of human inner values conflicts (Sbamei, 1991).

Therefore, understanding the current state of economic development will open the eyes of the hearts of Muslims about the weakness and corruption of the concept of economic development at the west (read capitalist). It is necessary to formulate intentions in re-thinking of one of the best for the ummah. Interesting to quote the phrase Mustafa At-Tahan as follow: "Action are related to intention: if the intention is true, the action is true, but if the intention is corrupt, then the action likewise will corrupt and the effort, in turn is wasted. Intention, however, is that purpose which is meant simultaneously with the

action. Human beings perform like the others, but it is the intention alone which makes his performance either constructive or destructive” (Mustafa, no year).

#### 4. Conclusion

Economic development is one of the objectives in achieving the welfare of the ummah. However, development must be based on Islamic values. Various scholars of classical and contemporary thought in the concept of development can provide an opportunity for us to improve the current condition of the ummah. This is consistent with the purpose of life within the Islam framework that struggle for the inner spiritual transformation required to achieve the potential to be the best of the creation, superior even to the angels. This potential exists within every human being; in this way, all are equal before God. As the fundamental norm of Tawhid, or Unity, the fundamental function of Islam, in terms of the human life on earth, is Integration,—namely: (a) integration of human personality; (b) integration of social order; (c) integration of units of mankind divided on the basis of race, colour, language, etc. In other words, that function consists in: (a) the realisation of the ideal of comprehensive, harmonious and balanced development of the individual and the society; and (b) the realisation of the ideal of Unity of Mankind.

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