

# ECONOMIC POLICY IN THE THOUGHT OF ABU ISHAQ AL-SYATIBI: A STUDY ON THE SUSTAINABILITY OF ISLAMIC ECONOMICS

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## ABSTRAK

Talking about Al-Syatibi's thoughts which initiated concepts and thoughts about economics in the fields of production, consumption and distribution. The method used in this research is the library method. This method uses literature such as journals, articles, books, essays and the internet which discuss Al-Syatibi's ideas about Islamic economics. The basis of Al-Syatibi's thinking in the economic field is related to the concept of Maqasid Syariah, and its orientation gave rise to *Maslaha Mursalah*. Asyatibi's thoughts are considered ideal to be applied in this modern era, because previous thoughts and ideas about economics in those years were considered very irrelevant. Apart from being able to answer the challenges of the times, Maqasid Sharia theory and economic thinking are also believed to be able to bring about positive changes, especially when Muslims themselves are involved in economic activities and are directly involved in economic activities. Al-Syatibi also believes that needs must be based on priorities that are tailored to each level of need.

Keywords: Al-Shatibi, Economics, Thoughts

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## INTRODUCTION

Economic thought based on Islam is not new in Islamic thought. Islamic economic thought has existed since ancient times, when Islam reached its peak, namely since the time of the Prophet Muhammad SAW. Although not as popular as other thoughts such as fiqh, Sufism, and Kalam, but it does not mean that thinkers from other disciplines do not know the ideas of Islamic economic thought. This is supported by many other Islamic scholars and philosophers who have produced works such as works and literature that discuss Islamic economics and its relationship with other sciences (Qadariyah, 2018). Abu Ishaq Al-Syatibi

is a famous Islamic economic philosopher. His beliefs and ideas flourished during the Granada period, which ended the Islamic heyday in Spain in 1240 CE. During this time, a number of constructive developments took place, such as improvements in the legal and economic fields. Ahmad Najetullah Siddiqi divides the growth of Islamic economic thought into three periods: the first from the caliphate to 450 AH (1058 AD), the second from 1058 to 1446 AD, and the third from 1446 to 1931. According to Bakhri (n.d.: 2), Al-Syatibi is part of the second period of Islamic economic philosophy, which is one of the three stages of Islamic economic development mentioned above. The Islamic economic theory that Al-Syatibi created between 1058 and 1446 CE is further

explained in this article, along with how Al-Syatibi believed Islamic economics should be applied. Al-Syatibi's viewpoint, which bases economic activity on *maqashid as-syariah*, places additional emphasis on economic activity. According to the idea of *maqashid sharia*, this article also explains how economic development should be implemented. As a result, this study finds and offers an alternative to economic growth that is in accordance with Islamic law. Al-Syatibi's views on economic issues, including property ownership, taxes, production, distribution, and consumption requirements in relation to the idea of *Maqashid Shariah*, should be clarified and examined in this study. This research will provide solutions for ideal economic behavior according to Islamic Law. Abu Ishaq Al-Syatibi is known as a *fiqh* scholar who has an in-depth view of the relationship between Islamic law and socio-economic policy. In his monumental work *Al-Muwafaqat*, Al-Syatibi emphasizes the importance of the principle of *maslahah* (benefit) which is the basis for determining *sharia* laws, including in the economic field. According to Al-Syatibi, economic policy in Islam must pay attention to the welfare of society as a whole, by placing benefit as the main goal. In his view, such welfare is not only measured by material aspects, but also moral and social. This leads to the principle of justice in the distribution of wealth, which in turn is also the main focus in sustainable economic policy (Rofiq, 2023).

The concept of balance in Islamic economics, reflected in the thinking of Al-Syatibi, is crucial to understanding how sustainable economic policies can be implemented. Al-Syatibi proposed that in economic policy, there should be a balance between individual needs and collective interests, between worldly and *ukhrawi* interests. According to Haneef (2010), the balance intended by Al-Syatibi is not only related to the distribution of wealth, but also includes the regulation of the fair and sustainable use of natural resources. In other words, Islamic economics according to Al-Syatibi requires arrangements that avoid social inequality and environmental damage, which are part of the principles of *maslahah*. Economic policy in Al-Syatibi's thinking is also strongly influenced by ethics in economic transactions. This ethics is reflected in the prohibition of practices that harm society, such as usury, monopoly, and fraud. A study by Chapra (2008) shows that Al-Syatibi strongly emphasizes the need to maintain moral values in economic activities, so that they do not only benefit certain parties, but also benefit the welfare of society at large. In this case, Al-Syatibi considers that economic policy cannot be separated from moral norms that serve to maintain social balance and prevent injustice.

Al-Syatibi not only focuses on the economic aspect as something that stands alone, but also sees it in a broader social and moral context. Research by Hasan, (2011) revealed

that in Al-Syatibi's thinking, Islamic economic sustainability is not just about meeting material economic needs, but also related to social, moral and spiritual sustainability. Economic policies based on the principles of *maslahah* and social justice will encourage the creation of economic conditions that are not only profitable in the short term, but also support socio-economic resilience in the long term.

The relevance of Al-Syatibi's economic thought in the context of modern economics is often discussed by contemporary scholars. In a study conducted by Sari, (2023), it is stated that the economic principles developed by Al-Syatibi are very applicable in facing current global economic challenges, such as social inequality, economic instability, and environmental damage. Economic policies based on social justice, equitable distribution of wealth, and protection of individual rights are needed to create a sustainable and inclusive economy. In this regard, Al-Syatibi made a significant contribution in formulating the basics of Islamic economics that not only considers material benefits, but also spiritual and social welfare. The development of Islamic economic policy in the modern world has been widely discussed, and many see that Al-Syatibi's thinking can be used as a reference to build a more just and sustainable economic policy. According to Siddiqi (2004), Islamic economic policy must be able to accommodate the challenges of modern times, such as economic globalization, uneven economic growth, and environmental damage. Al-Syatibi, with his emphasis on social welfare and the principle of *maslahah*, offers an approach that can address these issues, by prioritizing social justice and ecological balance

## **METHODS**

Research is basically inseparable from research methods, because the necessity of research methods serves to guide and analyze objects that are the focus of research (Muchtari, 2015: 84). Therefore, the method used in this research is the library method. This method uses literature such as journals, articles, books, essays, and the internet that discuss Al-Syatibi's ideas on Islamic economics (Sugiono, 2014).

## **RESULTS AND DISCUSSION**

These findings suggest that, despite their consistent performance, Islamic banks have difficulties in terms of liquidity and competitiveness when compared to conventional banks, which offer a greater variety of interest-based products. Innovation in goods and services is suggested by this study to improve the competitiveness of Islamic banks. Particularly in regions that have abundant natural resources but lack inclusive economic growth, the application of Islamic economic principles-which prioritize justice, balance, and sustainability-can improve the effectiveness of regional economic development. Millennials are more interested in using Islamic financial products such as insurance, investment and savings if they have better knowledge about Islamic finance. Therefore, for the Islamic finance industry to thrive, more efforts need to be made to improve millennials' understanding of Islamic finance. The following is an estimate of the data or financial reports of Islamic banks and conventional banks in Indonesia. The above comparisons are only a

summary and are subject to change based on the specific bank and year reported. These figures should be further verified using data from banks' annual reports or relevant authorities. The concepts of *maslahah* (public interest) and *maqasid al-shariah* (the goals of sharia) are two examples of how Abu Ishaq al-Syatibi, a leading scholar in the Islamic legal (*fiqh*) tradition, thought about economic policy. One of the major thinkers of the 14th century, al-Syatibi, compiled theories of Islamic law aimed at achieving the material and spiritual well-being of society.

### **The Urgency of the History of Islamic Economic Thought**

According to the scholars, the welfare of the people is the most important factor and takes precedence over all others. Because the main result of the accumulation of all the elements that make up the social existence of society is human welfare. For example, if we scrutinize the economic allusions in the Qur'an and hadith, as their predecessors did during the heyday of Islam, we can get welfare in terms of economic variables. However, it is unfortunate that the economic history presented in the form of sharia is obscured by other forms of Islamic legal literature, making it impossible to interpret it in a way that is primarily focused on economics. Nonetheless, a number of Islamic economics writers have included and discussed economic topics. Islamic economics is different from classical capitalist economics. The concept of Islamic Economics has a distinctive feature: Islamic law is used as a legal basis for conducting economic activities such as making transactions and ownership of goods. Islamic economics has an extreme doctrine of Islamic law, so that its behavior must be based on the provisions of Islamic law. Such as the prohibition of *riba* (interest), there is a command to pay *zakat* when it has reached the *nisab*. This makes everything very different from the capitalist economy (Akhtyamova et al., 2015).

Islamic economics cannot be separated from the teachings of Islamic law, where Islamic teachings teach humans to *muamalah* (Witro, 2021: 166). The urgency of understanding the history of Islamic economic thought is first, as a facilitator to find contemporary Islamic economic thought. Second, as a means to help provide an understanding of how the economy should be run in line with Islamic principles. Third, as a reference to the findings of facts that may have occurred before, with the hope that this Islamic economic thought can provide solutions. Fourth, as a reference in the country's economic and financial policies. In essence, all of this will color the application and conceptualization of an Islamic-based economy. The urgency of the history of Islamic economic thought must be conveyed in a complete unity without reducing or exaggerating so that orientalist do not distort the facts so that they have a meaning that is contrary and not in accordance with the original goals and objectives of Muslim thinkers and philosophers (Latiqomah, 2019).

Al-Syatibi emphasized the importance of *maslahah* in people's lives, which refers to efforts to achieve goodness and avoid damage in social and economic life. In the context of economic policy, this means that policies taken by the government or the state must favor the interests of the wider community, create welfare, and minimize losses, both material and non-material. Al-Syatibi identified five main objectives of *maqasid al-shariah* (the

purpose of sharia), which also include economic interests, namely: Preservation of religion (hifz al-din), Preservation of the soul (hifz al-nafs), Preservation of reason (hifz al-aql), and preservation of property (hifz al-mal). As for the sustainable economic aspect. According to Al-Syatibi strongly emphasizes the importance of the principle of justice in the economy. He opposes all forms of injustice in the economy, such as oppression of the lower classes or impermissible practices such as usury that can harm the community. Because he believes that economic policy in Islam should be able to create a fair system in the distribution of wealth, it is expected to achieve equity and prosperity for all people.

In the concept of economic policy itself. The concept of sustainability according to Al-Syatibi is closely related to the principle of *istihsan* (choosing the better) and *mashlahah murshalah* (public interest that is not explicitly regulated by sharia) he also recognizes in certain circumstances, policies that benefit the community must take precedence, even though they are not directly stated in the sharia determination. Namely as an effort to create an economic system that not only pays attention to short-term aspects, but also long-term social and economic aspects need to be pursued. In the economy we must also be able to manage our finances so that we can see and maintain our finances so that we know both existing expenses and income. Al-Syatibi underlines the importance of managing wealth in a way that is in accordance with sharia. He emphasized that economics, especially Islamic economics, must be able to avoid usury and speculative practices that can cause an unstable economy. Abu Ishaq Al-Syatibi (d. 790 AH/1388 AD) was a Muslim scholar who produced relevant thoughts in the field of economics, especially through his concepts of ownership, taxation, and *maslahah* (public interest). Al-Syatibi was born and educated in Granada, Spain, during the golden age of Islam in that region. He is known as an expert in Arabic and *usul fiqh* (Islamic legal method) (Adiwarman Azwar Karim, 2022; Muhammad, 2022; Qoyum et al., 2021).

One of his main contributions is his thoughts on the concept of ownership. Al-Syatibi recognized individual property rights but rejected ownership of resources vital to the lives of many people, such as water. He distinguished between water that cannot be individually owned, such as river water, and water that can be owned, such as purchased water or part of land owned by individuals (Djalaluddin, 2015). In addition, Al-Syatibi also has a unique view on taxes. For him, tax collection must be based on *maslahah* or public interest. The government is allowed to levy new taxes if necessary to maintain the public interest, even if such taxes have not existed in Islamic history. Al-Syatibi also contributed ideas that are relevant to the modern world. His concept of *maqhasid al-syari'ah* (the purpose of Islamic law) emphasizes the importance of seeking benefit in economic activity. He viewed that humans have a religious obligation to obtain welfare in this world and in the hereafter (Aziz & Sholikah, 2013; Ikhsan & Iskandar, 2021; Zatadini & Syamsuri, 2019). His view on the fulfillment of human needs in economics is in line with the theory of motivation, as described by Maslow, who understands that humans are driven by the fulfillment of hierarchical needs. Al-Syatibi applied this concept in the Islamic context, emphasizing that religion is the main factor in fulfilling basic human needs. In his view, religion provides the motivation to seek welfare, which in turn increases productivity and economic growth. Al-Syatibi's thinking has relevant implications for the present and the future. His concepts of

ownership and taxation highlight the importance of prioritizing the public interest in economic policy. While the concept of maqhasid al-syari'ah offers a moral and religious foundation for economic activity, asserting that the goal of the economy should be to attain a benefit that is in line with Islamic principles. By understanding and applying Syatibi's ideas, society can develop a more just, sustainable, and religiously grounded economic system that is relevant to the challenges of the global economy

## **CONCLUSION**

In the study of Abu Ishaq Al-Syatibi's economic thought, it can be concluded that the economic concept he offers is very relevant to the principles of sustainability in Islamic economics. Al-Syatibi, a great scholar of the Maliki school of thought, put forward the concept of *maslahah* (public good) and *maqasid al-shari'ah* (the goals of sharia) as the basis for formulating economic policy. This reflects a deep concern for social welfare and economic sustainability within a broader framework, namely for the benefit of humanity, not just for certain groups. Al-Syatibi emphasizes the importance of social justice and wealth redistribution, which serves to reduce economic disparities and prevent the concentration of wealth in a handful of individuals or groups. In this context, economic policies based on sharia principles should be able to create a fair and equitable distribution system, as well as support inclusive growth. The findings of this study reveal that Abu Ishaq Al-Syatibi's thoughts provide a strong foundation for the development of Islamic economics from classical to medieval times. Their ideas on economic justice, wealth distribution, the role of the state, and the importance of considering the public interest remain relevant in the face of contemporary economic challenges. The implementation of these ideas can have a real impact in redressing economic inequalities, improving people's welfare, and enhancing public welfare. The practical implication of this thinking is the need to implement more equitable and inclusive economic policies that prioritize the public interest in price regulation, taxation, and economic development. Appropriate policy recommendations include increased scrutiny of monopolies and practices that harm society, the implementation of progressive taxes that take into account the economic capabilities of individuals, and the development of development programs that take into account social and environmental welfare. Therefore, the implementation of these ideas can lead to increased economic equality, improved access to vital resources such as water, and sustainable economic development based on religious values. By understanding and effectively applying Islamic economic thought, it is hoped that a more just, sustainable and prosperous society can be realized.

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