RESISTANCE OF ISLAMIC ECONOMIC SYSTEMS IN THE WORLD ECONOMY

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Abstract

Goals to be achieved in the activities of this paper to see toughness Islamic economics in the world economy. Due to bad the world economy today which is easy to be swayed by speculators. The study of literature is a major source, regarding various provisions of the studies that have been done before, and is supported by a study published by various agencies in the form of journals and other scientific studies. Islamic economics is a solution for mankind to come out of the crisis and prosper, besides that Islamic economics offers an Islamic economic system built on the foundation of the Islamic faith.

Keywords*: Capitalist, Socialist, Communist, Fascism, Islamic Econom*

A. INTRODUCTION

An organization in free competition today must understand the current business situation. Rapid changes in the environment require organizations to be responsive to the surrounding environment. This situation requires a more mature readiness in all respects, especially in terms of conditioning the organization to formulate a strategy to be able to anticipate changes and achievement of these objectives and to balance the achievements expected previously.Islamic Economy The economic system which includes the banking system, capital market, insurance, pension funds, finance and other infrastructures that interact with each other in mobilizing a country's economy. Various countries have a different understanding of the economic system, this difference can not be separated from the influence of philosophy, religion, ideology, and political interests that underlie a country adhering to the system. Of the many economic systems on earth there are none of the economic systems that are fully implemented successfully. The socialist economic system was destroyed by the dissolution of the Soviet Union, capitalists had negative and worse consequences because many poor countries were getting poorer and the rich getting richer, this was because the system emphasized its weaknesses and shortcomings rather than its advantages. Because of its weaknesses and weaknesses more prominent then arises a new thought about the Islamic economic system which was pioneered by Islamic countries or the majority of the population is Muslim, which makes this economic system as an alternative to the capitalism system. Apart from that the economic system is also related to philosophy, the view of people's lifestyle. An economic system is actually just one element in a suprasystem of community life. The economic system is

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a system that regulates and establishes economic relationships between humans and a set of institutions in an order of life. Economic activity is something that can not be separated in human life. Activities in the form of production, distribution and consumption are carried out in order to meet all the needs of human life. Every human action is based on his desire to meet the needs of life. Where even this economic activity began from the time of the prophet Adam until this moment, even though from time to time experienced development. Every time humans look for ways to develop this economic process in accordance with the needs of their needs.

B. DISCUSSION

1. Economic System

Economic thoughts that are developing at this time have undergone a long process. Its development lasted for centuries along with the emergence of civilizations that exist in the world. Even this thought began to appear since the days of stone, bronze, and iron. Then increasingly developed since the discovery of writing on the civilizations of ancient India, ancient Egypt, and Babylon. While the west is more inclined to the ancient Greek civilization which is rich in relics from the intellectuals. In this case it can be seen how the initial thoughts about economics, before economics itself received recognition as a separate branch of science. One feature of the development of economic thought in the past is its business activities that use the interest system. The historians of economic thought conclude that business activities with an interest system have been around for years.2500 BC, both in ancient Greece, ancient Rome, and ancient Egypt. In 2000 BC, in Mesopotamia (present-day Iraq), a system of interest developed.3 In the following capitalist economic **systems:**

a. Capitalist

Capitalism originated in 18th century England, then spread to Western Europe and North America. As a result of resistance to the teachings of the church, the flow of liberalism in Western European countries grew. This flow then penetrated into all fields, including economics. The philosophical basis of capitalist economic thought comes from the writings of Adam Smith in his book An Inquiry into the Nature and Causes of the Wealth of Nations written in 1776. The contents of the book are loaded with thoughts of economic economic behavior. From the basis of that philosophy then becomes an economic system, and in the end it is rooted into an ideology that reflects a lifestyle (way of life). Smith argues that human motives for economic activity are based on self-interest, which acts as a driving force that guides people to do anything as long as people are willing to pay "Not thanks to the generosity of the butchers, brewers, or bakers we can have lunch," said Smith "but because they pay attention to their personal interests. We speak not to their humanity, but to their love for themselves, and never to speak of our needs, but of

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their benefits. In the capitalist economic system applies "Free Fight Liberalism" (free competition system). Who has and is able to use the power of capital (Capital) effectively and efficiently will be able to win the battle in business. Understanding that glorifies the power of capital as a condition of winning the economic battle is called Capitalism.

b. Socialist

Socialism as an economic movement emerged as a fight against injustice arising from the system of capitalism. John Stuart Mill (1806-1873), mentions the term socialism shows activities to help people who are disadvantaged and oppressed with little depending on government assistance. Socialism is also interpreted as a form of economy in which the government acts at least as a party trusted by all members of the community, and nationalizes large and strategic industries such as mining, road and bridges, railroad, and other product branches that concern the lives of people Lots. In its most complete form socialism involves the ownership of all means of production, including agricultural land by the state, and the elimination of private property.

c. Communist

Communism emerged as an economic flow, like an illegitimate child who was disliked by the Capitalists. Extreme currents that appear with the same goals as socialism, are often more ideological movements and try to break down the system of capitalism and other systems that have been established. The Communist champion is Karl Marx, a figure who really hates Capitalism is a victim and witness of history, how he saw the children and women-including their families-exploited by the capitalists so that most of them stricken with TB disease and died, because the severity of the suffering they experienced. While the results of their efforts enjoyed by the owners of resources (capital) which he called the Bourgeois. The word Communism has historically been used often to describe social systems in which goods are owned together and distributed for the common good according to the needs of each member of society. Joint production and consumption based on this capacity is the main thing in defining communism, according to their motto: from each according to his abilities to each according to his needs (from each person according to ability, for each person according to need) .

d . Fascism

Economics is the study of society in its efforts to achieve prosperity in a situation where humans can meet their needs, both goods and services.8 To meet these needs, an economic principle of fascism emerged from the radical philosophy that emerged from the industrial revolution, namely syndicalism. The syndicalist expression is George Sorel (1847-1922). Proponents of syndicalism want the reorganization of society to become: associations that encompass the whole industry, or worker syndicates. In the practice of Fascism and Communism are two

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symptoms of the same disease. Both are often classified as totalitarian systems. Both are the same in terms of government, namely the one-party dictatorship.

2. Islamic Economy

The Islamic economic system encourages human life as a unified whole and helps a person's life as an inseparable part of the life of the community, whose individuals need each other and complement each other in the social order system, because humans are both individual and collective entities. In addition, Islamic economics puts forward the concept of Hablum min-Allah wa hablum min-Annas, which deals with God, human beings and their relationship. Because Islam believes that universal stability depends on material and spiritual well-being. Islam not only offers theoretical moral guidelines for building an economic system, but also proposes a methodology that is appropriate for applying the guidelines with the legitimacy of ways and also the legitimacy of objectives on the basis of clear ethical considerations and can be meaningful in the whole social order framework , with this approach to the economic system it is very relevant and very urgent to address the shari'ah with the economic system Islam. In the capitalist system that is put forward is profit and God is retired. This is reflected in the concepts of "laissez faire" and "invisible hand". From this philosophy we can see the purpose of capitalist economics is merely economic growth and looking for profit. The assumption is that with economic growth, each individual can carry out economic activities for the achievement of individual satisfaction. In contrast to the Islamic economic system that puts forward the values of God in which the Islamic economic philosophy in general can be seen from Surah al-Muttaffifin verses 1 to 6. Allah says: 1) Big accidents for people who cheat. 2) (Namely) those who, if they receive a measure from someone else, they ask to be fulfilled. 3) And if they measure or weigh for others, they reduce. 4) They did not think that they would indeed be resurrected. 5) On a big day. 6) (Namely) the day (when) man stood before the Lord of the worlds.

In conventional economic systems see economics as a secular (oriented only to worldly life now and here), while the Islamic economy is built on, or at least colored by religious principles (oriented to world life-present and here-and as well as the afterlife later and there). In Islam, social welfare can be maximized if economic resources can be allocated in such a way, with an economic system built on a sharia foundation set in the framework of the Qur'an or Sunnah, no one is better off by making others worse. 12 When viewed between the Islamic economic system and the conventional economic system there are some differences in terms of its nature and volume. A fundamental difference exists from several points of view, namely:

a Sources (Epistemology), which are based on absolute sources namely the Koran and As-Sunnah.
b The purpose of life, contains the concept of al-falah (glory) in the world and ahirat.

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So it can be concluded according to the principles of Islamic economics can be divided into two namely

a. The principle of economic revelation, this principle is taken from the Qur'an and hadith.
b. Economic principles are not revelations, economic principles are taken from ratios and observations.

In Islamic economics is based on five universal basic principles in building Islamic economic theories, namely:

a. Monotheism, Is the Foundation of Islamic teachings.
b. Justice, as a universal teaching
c. Nubuwah, places the prophet Muhammad as a role model in various activities.
d. Khilafah, maintaining economic actors to maintain orderly interactions (mu'amalah).
e. Ma'ad, revival and return in the context of Islamic economics. 15

And in Islamic economics also has several characteristics, as follows: 16

1. Assets Belonging to Allah and Man are caliphs of possessions
2. Economy tied to aqidah, sharia and morals.

- you who believe, Verily, most of the Jewish religious people and Christian monks actually eat the wealth of people by vanity and they block (people) from the path of Allah. and those who keep gold and silver and not spend it in the way of Allah, then tell them, (they will get) a painful punishment.

3. Balance between spirituality and materiality. and look for what Allah has bestowed upon you (happiness) of the afterlife, and do not forget your portion of worldly (enjoyment) and do good (to others) as God has done good, to you, and do not do damage on (face) earth.
   Surely Allah does not like those who do mischief.
4. Islamic Economy Creating a balance between individual interests and public interests.

Islamic Economics Creating a balance as well as in setting prices in a market. The right price is the price in accordance with the product quality of an item, and the price can provide satisfaction to consumers. According to the capitalist economy in determining prices formed by the state of supply and demand. Because this free market will produce a balance in society which in turn will produce fair wages, stable prices, and low unemployment rates. Whereas the concept of socialist economic state must master all economic sectors to ensure economic equilibrium and justice in the

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market. In Islamic economics view the market guaranteed freedom, where the market is left to run alone without anyone controlling that causes unilateral market rulers. Free markets determine how to produce and prices should not be disrupted resulting in damage to market balance. The reality is that the market cannot run alone fairly, so that it can harm various parties. Therefore, in determining prices in the market in accordance with the strength of supply and demand in the market, and the price of goods may not be determined by the government, because the price provisions depend on the law of supply and demand.

There are a number of ways to set prices, including:

a. Company strategy and other components in the marketing mix.
b. Product expansion in such a way that the product is seen as different from other products that compete in quality or level of customer service.
c. Competitor fees and prices.
d. Availability and price of replacement products

what are the spoils (fai-i) that Allah gave to His Messenger (from possessions) that came from the inhabitants of the cities. So it is for Allah, for the apostles, relatives, orphans, poor people and people on the way, so that the treasure does not circulate among the Rich people among you. what the Apostle gave you, then accept it. leave what he forbids. and fear Allah. Verily, Allah is severely punished.

5. Individual freedom is guaranteed in Islam

and let not one of you eat the treasure of another part of you by way of the way and (do not) you bring (the affairs) of that treasure to the judge, so that you can eat a portion of the property of others by (way of doing) sin, whereas you knowing.

6. The state is authorized to interfere in the economy, Islam allows the state to regulate economic problems, this is in accordance with the words of the Messenger of Allah, which means: "Whoever leaves a burden, let him come to me, because I am the maula (protector)". mustakrak by Al-Hakim).

7. Consumption Guidance

O son of Adam, wear your beautiful clothes in each (enter) mosque, eat and drink, and don't overdo it. Indeed, Allah does not like people who are overrated.

8. Investment Guide, which islamic makes the following guidelines for investing:

- A good project according to Islam

- Providing as much sustenance as possible to community members

- Eradicate mistrust

- Maintain and grow wealth - Protect the interests of community members

9. Zakat, as a soul cleanser from the nature of miser, envy and revenge.

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10. Prohibition of usury

O you who believe, do not eat Riba doubled and fear you of Allah so that you will have good luck.

The resilience of the Islamic financial system, among others:

a. Moving the Real Economy, Islamic Economy does not recognize economic dualism, namely the economy which consists of the real sector where the Islamic Economy

b based on a real economy that ensures the velocity of assets continues to revolve broadly.

c Creating World Financial Stability, the Islamic financial system (the Islamic currency of the dinar and dirham, the prohibition of usury and the adoption of a real sector-based economy that prohibits speculative on the derivatives financial market) will create world financial stability.

d No tyranny, applying Islamic sharia which will bring us to life in a beautiful, safe and reassuring life in the abundance of God's blessings.

Conditions for success of an economy

Economics provides an overview of the nature and scope of economic analysis, economics is always associated with a state of imbalance between the ability of factors of production to produce goods and services and the public's desire to obtain goods and services. Various experts say economics is a study of individuals and communities that make choices with or without the use of money, using limited resources, but can be used in various ways to produce various types of goods and services and distribute them for current consumption needs and in the future, to various individuals and groups of people. The economic system implemented by Rasulullah SAW has its roots in the principles of the Qur'an. In Islam, human life cannot be separated between the world and the hereafter, both of them are one entity. Likewise with human life, Allah does not command man to separate his life between the world and the hereafter. In order to carry out the mandate as caliph, humans are given the freedom to make a living in accordance with applicable laws and in a fair manner. Islam recognizes private ownership, means of production, merchandise, but only prohibits the acquisition of wealth through illegal or immoral means. In line with the existence of an economy. To further develop an economy, it is necessary to have policies implemented by the government, both actions and strategies so that the ongoing economy is strived forward, without an economic weakness that causes inflation,

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unemployment and so forth. But if government revenue decreases, the government must also reduce spending. In short, people are of the view that the government must carry out a balanced fiscal policy or a balanced budget, that is, expenditures must be in accordance with or equal to their opinions.

Resilience of Islamic Economics in the World economy

At present the concept of shari'ah banking is developing. There are 170 banks conducting business with profit sharing systems, with details of 6 sharia commercial banks (BUS), 25 sharia business units (UUS), and 139 Sharia People's Credit Banks (BPRS) (BI, 2009). Shari'a banking is regulated by Law No.21 of 2008. According to the phenomenon that using the principles of shari'ah the report has not been very influential during the crisis, especially in the past 1997/1998 and 2008. This is also recognized by Bank Indonesia in its annual report said: "In the midst of the global financial crisis that hit the world at the end of 2008, Islamic financial institutions again proved their resilience from the crisis. Islamic financial institutions remain stable and provide benefits, convenience and security for their shareholders, holders of securities, borrowers and depositors of funds in Islamic banks. This can be proven from the success of the Muamalat bank through the crisis that occurred in 1998 by showing increasing performance and not receiving a penny of assistance from the government and in the 2008 financial crisis, the Muamalat bank was even able to earn a profit of Rp. 300 billion more. An additional explanation by Bank Indonesia said that "Islamic banking can actually use this momentum to show that Islamic banking is truly resilient and resistant to crises and is able to grow significantly. Therefore we need strategic steps to make it happen ".

In the conception of Islam, the economic orientation must fight for the fate of the small people and the welfare of many people, which in the theory of ushul fiqh is called al maslahah al ammah. While the mechanism used to achieve welfare is not determined by its format and form. Therefore, a system of capitalism that is not contrary to Islam, can be used as a reference in making policies in tackling inflation with Government policies used to overcome the problem of inflation:

a.Fiscal policy, This policy is implemented in the form of reducing government spending, this step has a rapid effect in reducing spending in the economy.

b. Monetary policies, rules and regulations issued by the monetary authority to control the amount of money in circulation.22 As was the case with the caliph Umar ibn Khattab, the caravan of merchants who sold their goods abroad bought goods from abroad worth less than the value of the goods things they sell, so they make a profit. Profits in the form of excess money are brought into Medina so that people's income and purchasing power will rise (AD ↑). An increase in aggregate demand will cause the AD curve to shift to the right and will result in an increase in the overall price level (P ↑). Then, what Umar ibn Khattab did in overcoming the problem was that he forbade the residents of

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Madinah to buy goods for 2 consecutive days. As a result, there is a decrease in aggregate demand (AD ↓) and the price level becomes normal.

c. Increased Production, Although the money supply increases if accompanied by an increase in production, it will not cause inflation. In fact this shows an increase in economic capacity.

d. The Wage Policy, Inflation can be overcome by reducing the disposable income of the people.

e. Price Control, The tendency of rising prices by entrepreneurs can be overcome by monitoring market prices.

f. Improvement of Community Behavior,Whereas there are at least seven Islamic monetary policies that can

controlling inflation both directly and indirectly, namely:

a. Dinar and dirham as currency,

b. The law of buying and selling foreign currencies,

c. The law of currency exchange,

d. Interest law, capital market law,

e. Banking law,

f. International exchange law, and

g. Monetary policy authority

To facilitate the analysis of inflation control problems in the perspective of Islamic monetary policy, the author will first define a regulation in the monetary field that aims to safeguard and maintain the stability of the value of money and encourage the smooth production and development in order to improve people's lives.24 So the policy can be concluded Monetary is a process carried out by the government, central bank, or monetary authority of a country to control, supply of money, availability of money, interest rates, in order to achieve a set of objectives oriented towards economic growth and stability.

C. CONCLUSION

The Islamic Economic System is an economy based on the real sector (see al-Baqarah: 275). There is no dichotomy between the real sector and the monetary sector. Because the monetary sector in Islam is not like the capitalist monetary sector, which contains a virtual sector. Islam views economic activities as only in the real sectors such as agriculture, industry, trade and services. From this sector economic activity is encouraged to develop forward. It's just that the laws regarding ownership, products (goods / services), and transactions in the Islamic economy are different from Capitalist. Islamic economics is a solution for mankind

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to get out of crisis and live in prosperity, besides that Islamic economics offers an Islamic economic system that is built on the foundation of Islamic creed. And this economic activity can be a part of religious activities, where the activities carried out are not only looking for income to sustain life, but also as a noble calling of religious teachings. This is a faith that haq because it comes from Allah brought to mankind through Muhammad Rasulullah SAW. Islamic creed is a creed that satisfies reason, calms the soul, and is in accordance with human nature. Therefore regulations emanating from Islamic creed such as the Islamic economic system have a distinctive and human character. Islamic economics is also contained in more than one fifth of the verses contained in the Koran, which do not refer to Capitalism or Socialism. If Capitalism accentuates the individualistic nature of humans, and Socialism in collectivism, then Islam emphasizes four characteristics at once namely:

1. Unity
2. Balance (equilibrium)
3. Freedom (free will)
4. Responsibility

This is what conventional economic actors see so that they have suddenly shifted to Islamic economics and the Vatican has not left behind offering Islamic financial principles to banks in the West, who are now facing a crisis, and as an alternative to the capitalist system. Islamic economics is a solution for mankind to get out of crisis and live in prosperity, besides that this economic system can also be a form of broadcasting the Islamic religion. Which in the Islamic economic system is regulated in the Qur'an and the Hadith. For that we need the Khilafah Islamiyah as an institution that implements Islamic economics.

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