Analysis Of Microeconomic Theory According To Abu Ubayd And Al-Syaibani And Its Relevance To Pancasila Economy

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Abstrak: This study aims to analyze the microeconomic theory of Abu Ubayd in the book Al-Amwal and Al-Syaibani in the book al-Kasb and its relevance to the Pancasila economy. The research method used is a qualitative method with an analytical descriptive approach to the book of Al-Awal by Abu Ubayd and the book of Al-Kasb by Al-Syaibani and assisted from other reading sources related to the research title. The results of this study are Abu Ubayd in Al-Amwal talks about basic human needs, legal and economic justice, Bedouin and urban dichotomy, while al-Syaibani explores the concept of al-Kasb (Work), according to him that work is the main element of production, has a very important position in life. Al-Syaibani also explained about wealth and destitution, the classification of businesses and about economic needs and specialization and distribution of work. The relevance of Abu Ubayd's economic thought with Pancasila Economy in accordance with the Indonesian Law No. 5 Year 1999 on the prohibition of monopolistic practices. While Al-Syaibani about al-Kasb (work) and the distribution of work is very relevant to the 1945 Constitution article 28 D Paragraph 2, namely Everyone has the right to work and get a fair and decent reward and treatment in labor relations.

Keywords: Economics, Micro, Relevance, Pancasila

INTRODUCTION

Islam is a universal religion, the study is not only a matter of faith, morals but also explores economic studies including Islamic economics (muamlah). When studying the economy, it cannot be separated from micro and macroeconomic studies. Microeconomics is the basic economic cycle and is directly related to community activities. In microeconomics, all economic events that occur are under the control of consumers and business actors.¹

The main principle of microeconomics is the equality of humans as rational beings who need each other. Without consumers, businesses do not have a market share to sell their products, and without businesses, consumers' needs will not be met. If one of the economic actors commits a violation (intentionally or not), then microeconomic activity will be disrupted.


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While macroeconomics is a study used to study the working mechanism of the economy as a whole, in other words, its scope is broader, such as unemployment rates, national income, economic growth rates, inflation, and price levels. The goal is to understand various economic events, formulate and improve an economic policy. While the study of Islamic micro and macroeconomics is an economic cycle inspired by the teachings of Islam.

Speaking of Islamic economics, can not be separated from the source of Islamic economic books or Islamic iqtishod books, and of course Islamic figures who are in-depth about Islamic economic theory. One of the quite phenomenal figures in Islamic economic literature is Abu Ubayd al-Qassim Bin Sallam and Muhammad Bin Hasan Al-Shibani. Abu Ubayd with his famous book al-Amwal which talks about the forms of wealth managed by the government. Abu Ubayd in the book al-Amwal divides the sources of revenue into three parts, first, shadaqah (as a kind of zakat), second fai, (kharaj, jizyah, khums, ushr), third is the land tax (iqtha, ihya al-amwat and hina). According to Yadi Janwari that Abu Ubayd's thought provides deep insight into how microeconomic principles can be implemented in the context of Islamic economics. Even Adam Smith who is a Western economic figure in the work of The Wealth of Nation according to Asdar Yusup quoted by Yadi Janwari that Adam Smith's work is indicated by many references to Abu Ubayd's thoughts, especially regarding the title The Wealth of Nation with al-Amwal has a similar meaning, in Smith's work also explores the progress of Islamic economic civilization during the time of the Prophet Muhammad Saw and his successor generations.

While in capitalist and socialist (conventional) economies, the main sources of state revenue come from levies (fees and customs), profits of state-owned enterprises, fines and forfeitures by the government, money printing, and gifts or grants. While Al-Syaibani in his phenomenal book Al-Kasb, thoroughly explores the theory of Kasb (income) and its sources, and provides behavioral guidelines in production and consumption. The book of al-kasab is the first work in the world of Islamic economics that discusses income, and Al-Syaibani is the first originator of the work classification system, including al-Syaibani reviews the role of the state in the economy including the rights of the state over the people and the rights of the people over the state, where his study refers to the hadith rules relating to government. The results of

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the implementation of the analysis are realized in the rules of wealth contracts for all Muslims which are expected to be able to add to our intellectual treasures related to the history of Islamic economics.⁸

Based on the explanation above, this study was conducted to analyze the theory of Islamic economic thought Abu Ubayd in his work al-Amwal and Muhammad Hasan Al-Syaibani in his phenomenal work al-Kasb.

METHOD

The research method used in this research is a qualitative method with an analytical descriptive approach to library studies (library research), in this study researchers will analyze the Islamic economic thought of Abu Ubayd and Al-Syaibani from two main sources, Al-Amwal by Abu Ubayd and Al-kasb by Al-Syaibani and of course will be assisted from other reading sources related to the title of the study to be analyzed and taken a conclusion.⁹

RESULTS AND DISCUSSION

A. Abu Ubayd

1. Short Biography of Abu Ubayd

Abu Ubaid was a hadith expert (muhaddith), fiqh expert (fuqaha), served as qadi in Tarsus, often handling land and taxation cases. His full name is Abu Ubaid al-Qasim bin Sallam bin Miskin bin Zaid al-Harawi al-azadi al-Baghdadi. He was born in 157 H in Harrah City, Khurasan Province northwest of Afghanistan. Abu Ubayd's famous work is the book "Al-Amwâl" as a result of his observations and research on the habits of the Iraqis who practice the Hanafi Mazhab and also the opinions of the Maliki Mazhab. However, instead of adopting one of the two schools, he came up with his own opinions in fiqh in an innovative and unique way.¹⁰ Then after that, at the request of Commander Abdullah bin Thahir, Abu Ubayd moved to Baghdad for 10 years. In Baghdad, he spent his time for the benefit of science, including lecturing and writing books including Al-Amwâl, Fadhâil Al-Qur'ân, Al Gharîb, An-Nâsikh wa Al-Mansûkh, At-Thahûr, Al-Musannaf fî Al-Qur'ân, and Al-Mawâ'iz¹¹ and in 219 AH after the Hajj he stayed in Mecca until his death. Abu Ubayd died in 224 H.¹²

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¹⁰Yadi Janwari, Ahmad Hasan Ridwan et all., Teori Ekonomi Mikro Menurut Abu Ubayd an Al-Syaibani, Al-Afkar : Jurnal offIslamic Studies, Vol 6 Nomor 3 (2023), hal. 403


¹²Ibid, Eti Jumiati
2. Abu Ubayd's Economic Thought

a. About Microeconomics

Among Abu Ubayd's thoughts is on the relationship between ownership and agricultural improvement policies. According to Abu Ubayd's thinking, public resources, such as water, pasture, and fire should not be monopolized like hima (private gardens). Abu Ubayd explains that all public resources belong to the state to be used to meet public needs. This is in accordance with Indonesian Law Number 5 Year 1999 on the prohibition of monopolistic practices, where citizens are prohibited from monopolistic practices and only the state can monopolize, especially related to the livelihood of many people controlled by the state (1945 Constitution Article 33 Paragraph 2 and Paragraph 3), such as water, electricity, fuel and so on. According to Constitutional Court Judge Daneil Yusmic P. Foek, the concept of control by the state is broader and higher than ownership in civil law. According to Abu Ubaid, zakat is the fulfillment of basic needs, and can help people who are in dire need of this based on avoiding the danger of hunger (hifdzul maal). The rich class of society is obliged to give zakat (muzakki), the middle class is not obliged to give zakat but not mustahik zakat, the lower class is the recipient of zakat (mustahiq az-zakat). The principle of Abu Ubayd li kulli wahidin hashu hajatihi, "for each person is according to their respective needs". The principle used by Abu Ubaid is to distribute to each person according to their respective needs. So that the eight recipients of zakat are given according to their needs.

The concept of microeconomic theory is discussed by Abu Ubayd in the book Al-Amwâl. In Al-Amwâl, Abu Ubayd uses a methodology based on the main sources in Islam, namely the Qur'an, Hadith and the opinions of fuqoha such as An-Nakho'i, Al-Laïts, Abu Hanifah, Imam Malik, and Al-Tsauri. Abu Ubayd's approach is based on the superiority of the opinions of these scholars or the results of the consensus of scholars on the basis of existing evidence. In cases where no clear evidence is found in the Qur'an and hadith, Abu Ubayd is more likely to refer to the opinion of the companions, especially the opinion of Umar bin Khattab. This approach shows that Abu Ubayd prioritizes the quality and authority of scholarly opinions in the interpretation of economic issues discussed in the book of Al-Amwâl, not just based on personal preferences or certain schools. Al-Amwâl comprehensively discusses the Islamic public finance system,
especially in the context of state administration. The book is also equipped with historical facts about the economic policies implemented from the time of the Prophet to his companions. Through this historical investigation, the book provides an in-depth understanding of the principles of Islamic economics implemented in that period. Thus, Al-Amwâl is a valuable source for understanding the public finance system and economic policy in an Islamic perspective during the time of the Prophet and his companions.\(^{16}\)

Abu Ubayd highlights his study of the three main sources of state revenue: fai (booty), khums (share of agricultural produce) and shadaqah (zakat). These three things become the basic framework of thought in this book when discussing the management of these three sources of income by the government to be distributed to the community. Al-Amwâl provides an in-depth look at Islamic financial concepts such as zakat, infaq, sadaqah or waqf so that it can be used as a reference for Islamic economists today. Kitab al-Amwâl is divided into three parts that include a number of chapters that discuss the issue of fai revenue. According to Abu Ubayd, fai property is state revenue obtained from non-Muslim property taken peacefully, such as jizyah, kharaj, and ushir. The fourth part of the book, which deals with the expansion of Islamic territory at that time, discusses defense, administration, international law, and the laws of war. The fifth section discusses the distribution of fai income. While the sixth section in this book discusses iqta' (granting land by the government) and ihya almawât (reviving unproductive land).\(^{17}\)

b. Philosophy of Justice in Economic Law

In Al-Amwal, if evaluated from the philosophy of law, it would appear that Abu Ubaid emphasizes justice as the main principle. According to him, the goal of this principle will lead to economic prosperity and social harmony. Basically, he has a balanced approach to the rights of individuals, the public and the state, if individual interests clash with public interests then he will side with the public interest\(^{18}\). Therefore, the public interest is above all in achieving justice for all. The core of his doctrine is the defense of the implementation of a fair and equitable distribution of wealth based on the principles of fiscal justice in the best and most perfect way possible. According to Abu Ubaid, the granting of grants in its various forms by the state or ruler to a person or group of people should be based on the amount of service given to the community. In other words, Abu Ubaid wants to state that all policies that only benefit a group of people and burden another group of people should be avoided by the state as much as possible. The government must regulate state assets so that they are always utilized for the common good and supervise private property rights so that they are not misused so as to interfere with or reduce benefits for the general public.\(^{19}\)

\(^{16}\)Ibid, Yadi Janwari et all, Hal. 404.
\(^{17}\)Said Sa’ad Marthon, Ekonomi Islam: Di Tengah Krisis Ekonomi Global (Jakarta: Zikrul Hakim, 2008), hlm. 97.
\(^{19}\)Asra Febriani & Jalaluddin, Pemikiran Ekonomi Abu Ubayd Al-Baghdadi (Studi Kitab Al-Amwal), Jurnal Syariah Juli-Desember 2017, JURISPRUDENSI IAIN LANGSA, Vol. IX, No. 2, Tahun 2017, hal. 148.
Abu Ubaid wrote about the issue of the caliph's right to make policies that do not conflict with Islamic teachings and the interests of society. So that the state treasury should not be used for personal interests.\(^{20}\)

c. On the Bedouin and Urban Dichotomy

According to Abu Ubayd, the allocation of fai income is more urban (urban) than Bedouin (rural). Urbanites had more duties and responsibilities and thus required more fai allocation. They temporarily claimed the fai revenue only in the event of enemy invasions, long droughts, and civil unrest.\(^{21}\) Abu Ubayd observed the provision of fai' income. Abu Ubayd highlights about the Bedouin with the Urban or urban are first, participate in the various administrative obligations of all Muslims; second, maintain and strengthen civil defense through the mobilization of their lives and property; third, promote education and teaching through learning and teaching the Qur'an and Al-sunnah; fourth, make a contribution to social harmony through the excellence and application of Hudud; fifth, set an example of Islamic universalism by praying in congregation on Friday.\(^{22}\)

d. Money

According to Abu Ubaid, there are two purposes of money: standard of exchange and medium of exchange. Abu Ubaid supported the traditional idea, which centered on currency. Gold and silver, he argues, are only appropriate as a means of payment for goods and services. When a consumer buys something, gold and silver may provide the greatest benefit.\(^{23}\) The value of silver and gold will change if they are commoditized. This means that the value of an object is stored in money. Abu Ubayd recognized the function of money as astore of value when discussing the minimum annual savings amount subject to zakat. One of the distinguishing features of al-Amwal among books on public finance. Al-Amwal discusses weights and measures, which are used to calculate some religious obligations related to wealth or fines. Abu Ubayd said that dinars and dirhams are the measure of the value of a price, but everything cannot be the value of the price of both. Abu Ubaid states that Dirhams and Dinars are the value of the price of something while on the contrary everything else cannot stand as a valuation of both of them.\(^{24}\)


\(^{22}\)Ibid, Wally, 2018.


Rusyd\textsuperscript{25} stated that, when it is difficult to determine the equation of value of a price of goods, then make dinars and dirhams to measure it. In addition, some Muslim scholars such as Abu Ubaid, Imam Ghazali, Ibn Rushd and Ibn Qayyim identified money as a measure of price.

B. Al-Syaibani

1. Al-Shibani’s Biography

His full name is Abu Abdilah Muhamad Bin Al-Hasan bin Fargad Al-Shibani. Born in 132 AH (750 AD) in the city of Washit, the capital of Iraq. With his parents, Ash-Shibani moved to the city of Kuffah which at that time was one of the centers of scientific activity. In the city, he studied fiqh, literature, language and hadith with local scholars. It is known that he also studied with Abu Yusuf and Abu Hanifah.\textsuperscript{26} Thanks to the breadth of his knowledge, Ash-Shibani was once appointed as a judge in the city of Riqqa, Iraq. But it only lasted a short time because he resigned to concentrate more on teaching and writing fiqh. Ash-Shibani died in 189 AH (804 AD) in the city of Al-Ray, near Tehran, at the age of 58. While in Makkah, Madinah, Khurasan, Syria and Bashrah, he learned from prominent scholars such as Imam Malik, Al-Auza’i and Sufyan bin ‘Uyainah. Al-Shaibâni’s ability as a scholar and jurist was highly recognized, so he became the teacher of important figures such as Imam Shafi’i and Abu Ubayd.\textsuperscript{27}

Karim\textsuperscript{28} revealed in his work that Al-Syaibani interacted with many scholars including scholars ahl al-ra’yi and scholars al-hadith. In the course of studying, Medina, Makkah, Shiriah, Basrah, and Khurasan became a place of study with great scholars. Among the great scholars where Al Shibani studied were Malik bin Anas, Sufyan bin ‘Uyainah, Auza’, and also met Al Shafi when studying al-Muwatta with Malik bin Anas (Al-Audi 1985). This gave a new flavor to his fiqh thinking. Al-Shibani was also privy to traditions that had escaped the knowledge of Imam Abu Hanifah. From the breadth of his knowledge and education, he was able to combine the schools of ahl al-hadith in Medina and ahl al-ra’yi in Iraq.

2. Al-Shibani’s Economic Though

Al-Syaibani is one of the Islamic economic thinkers who lived during the time of Abu Yusuf and became one of the pioneers of the spread and development of the Hanafi madhhab. Al-Syaibani’s economic thought can be seen in the Book of al-Kasb, al-Nawadhir, Zahir Riwayah, al-Ihtisab fi al-Rizq al-Mustahab, and the book of al-Asl which discusses income, guidelines for

\begin{itemize}
\item \textsuperscript{26}Hamad Abdu al-Rahmân Al-Janidal, \textit{Manâhiju Al-Bâhithîn Fî Aliqtishâd Al-Islâmy} (tk: Sharikah al-‘Ubaikan li al-Thibâ’ati wa al-Nashr), hlm. 55
\item \textsuperscript{27}Muhammad bin Hasan al-Syaibâni, \textit{Kitab Al-Kasb} (Beirut: Daar Al-Nasyr Al-Islamiyah,1994), hlm. 55
\end{itemize}
production and consumption behavior, various forms of business such as trade, agriculture, industry and labor agreements. Al-Syaibani’s economic thinking in the current context is still very relevant, especially in the concept of al-kasb which must refer to utility and benefit.  

a. Al-Kasb Work)

According to Al-Shibani, work is the main element of production and has a very important position in life. In the view of Islam, the activity of creating universal prosperity for all creatures is an obligation. In this regard, Al-Shaibani explained that work is an important element in life in order to support the implementation of worship, because of this work is obligatory. This is based on the following arguments:

فَإِذَا قُضِيَتِ الصَّلَوَةُ فَانْتَشِرُوْا فِى الَْْرْضِ وَابْتَغُوْا مِنْ فَضْلِ اللّٰهِ وَاذْكُرُوا اللّٰهَ كَثِيْرًا

Meaning: "When the prayer (Friday) has been performed, scatter you over the earth, seek the bounty of Allah, and remember Allah much that you may be fortunate".

Strengthened by the Hadith of the Messenger of Allah

عَنْ أَنَسِ بْنِ مالك عن النبي صلعم قال طلب الحلال واجب على كل مسلم

From Anas bin Malik, the Messenger of Allah said: seeking halal income is an obligation for every Muslim. (HR. Thabrani)

Another hadith about the obligation to work is the hadith mentioned from al-Miqdam, that the Prophet said:

مَا أَكَلَ أَحَدُ طَعَامًا قَطُّ حُيَّا مِنْ أَنْ يَأْكُلَ مِنْ عَمَلِ يَدِهِ وَإِنَّ نَبِيَّ اللَّهُ دَاوُدَ عَلَيْهِ السَّلاَمَ كَانَ يَأْكُلُ مِنْ عَمَلِ يَدِهِ

"No one eats better food than the work of his own hands, and indeed Prophet Dawud ate from the work of his own hands." (H.R. Bukhari, no. 1966).

Al Shibani defines al kasb (work) as an effort to seek wealth in various halal ways. In economics, these activities are known as production activities. From the definition, there is a very basic difference between Islamic economics and conventional economics. Where in conventional all aspects of production allow all means both halal and haram, while in Islamic economics the

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aspect of production depends only on the halal. This difference is very fundamental because the Islamic economy highly upholds aspects of halalness ranging from sources, methods and results.\(^{31}\)

b. Wealth and Poverty

According to Al-Shibani, although there are many proofs that show the virtues of the qualities of the rich, the qualities of the poor have a higher position. He states that when people have enough \(\textit{kifayah}\) of what they need and then hasten to virtue, thus devoting attention to the affairs of the hereafter, it is better for them.

In the book \textit{al-Kasb}, it is mentioned that gratitude for wealth is better than patience in poverty. Al-Shibani states that humans in their productivity in life always need other people. A person will not be able to master the knowledge of everything needed throughout his life and even if humans work hard, they will be limited by their age. In this case, the benefit of human life is very dependent on him. Therefore, Allah makes it easy for everyone to learn the science of knowing one of these needs, so that humans can work together in meeting their needs.\(^{32}\)

c. Business Classification

Ash-Shibani divided the economic business into four types, namely the \textit{first} lease or \textit{ijarah}, \textit{second} trade or \textit{tijarah}, \textit{third} agriculture \textit{zara'ah}, and \textit{fourth} industry or \textit{sina'ah}. While contemporary economists divide the three namely agriculture, industry and services. Of the three economic ventures, Ash-Shibani prioritizes \textit{zara'ah} agriculture.

From the legal point of view, Ash-Shibani divides the economic business into two, namely \textit{First} Fardu Kifayah, if there are people who run it, the wheels of the economy will continue to run and if no one runs it, the wheels of the economy will fall apart which has an impact on the increasing number of people living in misery; \textit{Second} Fardu 'ain, if the economic business is absolutely carried out by a person to meet the needs of his life and the needs of those he supports. If no economic efforts are made, his needs will not be met, as well as those of his dependents, so that it will lead to destruction for him and his dependents.

d. Economic Needs

Al-Shibani’s concept says that Allah created humans who need four needs, namely: food, drink, clothing and shelter. Economists say that these four things are the theme of economics. If these four things are never tried to be fulfilled, he will go to hell because humans will not be able to live without these four things.\(^{33}\)

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\(^{31}\) Ibid, Ahmad Riyansyah
\(^{32}\) Ibid, Ahmd Riyansyah
\(^{33}\) Ibid, Eti Jumiati
e. Specialization and Distribution of Work

Al-Shibani states that the distribution of work is an economic object that has two aspects simultaneously, namely the religious aspect and the economic aspect. Abu Ubayd defends the implementation of a fair and equitable distribution of wealth based on the principles of fiscal justice at its best and even perfect.

Syaibani states that humans in their lives always need others, Aristotle's term zoon politicon. A person will not master the knowledge of all things needed throughout his life and even if he tries hard, age will limit him. In this case, the benefit of man's life depends on him. Therefore, Allah makes it easy for everyone to acquire knowledge of one of these needs, so that people can work together to fulfill their needs.

Al Shibani said that if someone works with the intention of obeying Him or helping his brother to worship Him, the work is rewarded according to his intention. Thus the distribution of work such as the work above is an economic object that has two aspects at once, namely the religious aspect and the economic aspect. Al-Shaibani's thinking emphasizes more on microeconomic issues, so that his thoughts discuss in detail how the economic role of human labor to obtain wealth. According to Al-Syaibani, economic issues must be known by Muslims because it can support mandatory worship. His thoughts on economics are divided into five parts, namely al-Kasb (work), wealth and poverty, classification of economic enterprises, economic needs, specialization and distribution of work. The business sector that should be prioritized according to Ash-Shibani is the agricultural sector, because agriculture is a business sector that produces various basic human needs that are very supportive in carrying out various obligations.

C. Relevance of Abu Ubayd's Economic Thought with Pancasila Economy

According to Abu Ubayd's thinking, public resources, such as water, pasture, and fire should not be monopolized by individuals. Abu Ubayd explains that all public resources belong to the state that will be used to meet public needs. This is in accordance with Indonesian Law No. 5/1999 on the prohibition of monopolistic practices, where citizens are prohibited from practicing monopoly and only the state can monopolize, especially related to the livelihood of many people controlled by the state (1945 Constitution Article 33 Paragraph 2 and Paragraph 3), such as water, electricity, fuel and so on. According to Constitutional Court Judge Daneil Yusmic P. Foek, the

34Wikipedia.com di akses pada 1 Mei 2024.
35Ibid, Ahmad Riyansyah
concept of control by the state is broader and higher than ownership in civil law. So in other words, Abu Ubayd's concept of monopoly prohibition is in accordance with the economic concept of Pancasila which is strengthened by the Republic of Indonesia Law Number 5 Year 1999 on the prohibition of monopolistic practices and also the 1945 Constitution Article 33 Paragraph 2 and Paragraph 3.

With the establishment of Article 33 of the 1945 Constitution, Indonesia firmly reject individualism and liberalism. Individualism is individuals with perfect individual liberty and self-interest placed in the main position, agreeing to form a Society through a social contract (Social-contract or Vertrag). Individualism is a representation of liberalism. That is why, in accordance with collectivism/communitarianism (based on mutualism and brotherhood), the interests of the community are placed first, as stated in the Explanation of Article 33 of the 1945 Constitution: "...In economic democracy, the prosperity of the community takes precedence over the prosperity of individuals...". The prosperity of the community and the position of the people are placed in a substantial position. This is what characterizes the socialistic nature of Article 33 of the 1945 Constitution, arguably this is Indonesianness, a socio-economic representation of Indonesia that must be upheld. Indonesian economic democracy being the spirit of Article 33 of the 1945 Constitution, the Indonesian economic system was referred to by Mohammad Hatta as religious socialism. Article 33 of the 1945 Constitution both before and after the amendment stipulates economic democracy.

Then Abu Ubayd highlighted about zakat, zakat is the fulfillment of basic needs, and can help people who are in dire need of this based to avoid the danger of hunger (hifdzul maal). The rich class of society is obliged to give zakat (muzakki), the middle class is not obliged to give zakat but not mustahik zakat, the lower class is the recipient of zakat (mustahiq az-zakat). The principle of Abu Ubayd li kulli wahidin hasbu hajatihi, "for each person is according to their respective needs". The principle used by Abu Ubaid is to distribute to each person according to their needs.


40 Ibid, Elli Ruslina
D. Relevance of As-Syaibani’s Thought with Pancasila Economy

The relevance and implementation of Al-Syaibani's economic thought in the Indonesian context is the creation of employment or entrepreneurship, where currently there are many productive MSMEs, so that it becomes an indicator of the nation’s economy. This is what Al-Syaibani meant in his book _al-Kasb_ is a form of "imaratul kaum" that can create prosperity for the community.42

Based on the Explanation of Article 33 of the 1945 Constitution, it means that the economy is for the greatest common prosperity (not the prosperity of individuals), indicating that the article contains the "principle of populist economy". A populist economic system means that sovereignty in the economic field is in the hands of the people, and therefore, populist economics is related to the idea of economic democracy, which is none other than _mutualism_ and the principle of _brotherhood_.43 Based on Article 33 of the 1945 Constitution that the people are sovereign (People's Sovereignty) not determined by the market, if left free, then the market displaces the sovereignty of the people (Market Sovereignty).44

The Explanation of Article 33 of the 1945 Constitution contains the meaning of "the principle of populist economy", although the expression populist economy is not found explicitly. The conceptual expression found in the Explanation of Article 33 is about "economic democracy". Nevertheless, referring to the definition of the word "kerkayatari" as put forward by Mohammad Hatta, as well as the use of the word "populist" in the fourth principle of Pancasila, it is not too difficult to conclude that what is meant by populist economy is actually nothing other than economic democracy as stated in the Explanation of Article 33 of the 1945 Constitution. This means that popular economy is just another expression of economic democracy.45

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42Ibid, Amin, F., & Hasan A.
45Perbincangan mengenai ekonomi kerakyatan atau demokrasi ekonomi memang tidak dapat dipisahkan dari Mohammad Hatta. Sebagai Bapak Pendiri Bangsa dan sekaligus sebagai seorang ekonom pejuang, Mohammad Hatta tidak hanya telah turut meletakkan dasar-dasar penyelenggaraan sebuah negara merdeka dan berdaulat berdasarkan konstitusi. Beliau juga memainkan peranan yang sangat besar dalam meletakkan dasar-dasar penyelenggaraan perekonomian nasional berdasarkan ekonomi kerakyatan atau demokrasi ekonomi. Sebagai Bapak Koperasi
According to Al-Syaibani, economic issues must be known by Muslims because it can support mandatory worship. His thoughts on economics are divided into several parts, among them al-Kasb (work) and the distribution of work is very relevant to the 1945 Constitution article 28 D Paragraph 2 "Everyone has the right to work and receive fair and appropriate compensation and treatment in employment relations". To get prosperity and welfare, the state must facilitate decent work, in an economic perspective welfare is understood as a condition where basic needs such as clothing, food and shelter have been fulfilled. In this view, the conception of wealth. Todarao, for example, argues that community welfare refers to a level of life that is characterized by the eradication of poverty, malnutrition, a better level of health, the acquisition of a higher level of education and an increased level of community productivity.

CONCLUSIONS

From the description above, the researcher can draw several conclusions. Firstly, Abu Ubaid al-Qasim bin Sallam bin Miskin bin Zaid al-Harawi al-Azadi al-Baghdadi is a renowned hadith expert (muhaddith) and fiqh expert (faqih). He served as a qadi in Tarsus and authored the monumental work "Al-Amwâl," a book of micro and macroeconomics that has influenced several authors, including Adam Smith. According to Abu Ubaid, microeconomics involves the fulfillment of basic needs and can help those in genuine need, based on the principle of avoiding the danger of hunger (hifdzul maal). He espoused the principle "li kulli wahidin hasbu hajatihi," meaning "for each person according to their respective needs." Abu Ubaid believed that legal and economic justice would lead to economic prosperity and social harmony, prioritizing public interest over individual interests. He also dichotomized Bedouin and urban populations, advocating for a greater allocation of fai income to urban areas than to rural ones. Secondly, Abu Abdilah Muhamad Bin Al-Hasan bin Fargad Al-Syaibani authored the influential book "al-Kasb," which delves into economics with a focus on microeconomic issues. Al-Syaibani's work discusses the economic role of human labor in acquiring wealth and emphasizes the importance of understanding economic issues to support mandatory worship. His thoughts are divided into five parts: al-Kasb (work), wealth and poverty, classification of economic enterprises, economic needs, and specialization and distribution of work. Al-Syaibani prioritized the agricultural sector, seeing it as essential for producing basic human needs that support various obligations. Lastly, the relevance of Abu Ubayd's economic thought to the Pancasila Economy is evident in his belief that public resources such as water, pasture, and fire should not be monopolized by individuals but belong to the state to meet public needs. This aligns with Indonesian Law Number 5 of 1999.
which prohibits monopolistic practices. Al-Syaibani’s economic thoughts are relevant today in the creation of employment and entrepreneurship, with many productive MSMEs serving as indicators of the nation’s economy. His views on al-Kasb (work) and the distribution of work resonate with Article 28 D Paragraph 2 of the 1945 Constitution, which asserts that everyone has the right to work and receive fair compensation. To achieve prosperity and welfare, the state must facilitate decent work, ensuring that basic needs such as clothing, food, and shelter are met.

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