

THE RELEVANCE OF IBN SINA'S ISLAMIC ECONOMICS THOUGHTS TO THE PANCASILA ECONOMICS PARADIGM

Abstract

This study aims to explain and study the other side of IbnSina as the expert in Islamic economics. This is important because so far IbnSina has always been identified as a doctor, chemist, and philosopher of Islam, and such identification is very far from economic ideas. While many economic ideas were originated from IbnSina. His works such as as-Syifa and Risalah as-Siyasah have sufficiently discussed about the economy. This study used a literature approach to describe and analyze the object of the research, namely reading and reviewing various sources of the topic, analyzing and finally drawing a conclusion which was further presented in the form of a written report. The results of this study indicated that IbnSina was not only a well-known and worldwide physician, chemist, and philosopher, but also an Islamic economics thinker. Many ideas about the economy were born from his works, as-Syifa and Risalah as-Siyasah, such the discussions are about humans as economic agents; economic revolutions as the main foundation of economic development; and welfare as well as prosperity as the main goals of economic practice and state administration.

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1. Introduction

Initially, the Islamic economy was systematically established by Rasulullah Saw, the Prophet Muhammad (peace be upon him), when migrating to Medina. The initial step was taken by building mosques as the centre of Islamic civilization, wherein they were used to conceptualize a variety of fundamental lives of Islamic societies ranging from politics, social, culture, security, to the economy. Furthermore, the other steps were to strengthen the brotherhood between immigrant community (*Muhajirin*) and local community (*Anshar*) to be all together and helpful for one another. The two important steps as such further led the Islamic economy to gradually develop as an interdisciplinary subjects in the scientific works of *mufassir* (the interpreters of the Quran), *fuqoha* (the experts of Islamic jurisprudence), historians, and social, politic as well as moral philosophers.

Those works addressed the issues of economy which sociologically espoused to construct the economic theories or concepts. Some figures specifically devoted themselves to that discipline are Zaid bin Ali, Abu Hanifah, Yahya bin Umar, IbnMiskawaih, Imam Shatibi, al-Ghazali, IbnTaimiyyah, IbnKhaldun, NasiruddinTusi, Al-Maqrizi, and others. Besides, there were several figures in the literature of history who were likely assumed as doctors, philosophers, chemists, and jurists. So it seemed that there was no any Islamic economics thinkers emerged from them. One of them is IbnSina who becomes the object in this study. IbnSina has likely been viewed as a doctor, chemist, and Islamic philosopher. Not many see him as an expert on Islamic economics. Thus, this article attempts to analyze IbnSina's ideas in conceptualizing the state economic system. This study aims at explaining and probing into IbnSina's conceptions and contribution as the expert of Islamic economics. This study employed library research to describe and analyze the object of a study by reading and discerning a wide range of sources to address the topic. The analysis is further undertaken, and the conclusion is verified and presented in the form of a written report. The results of this study are expected to present IbnSina's conceptions as Islamic economics thinker along with various economic theories that rise from him.

2. Research method

This study was conducted in the form of library research by describing and analyzing the object of a study. The data from literature was collected by reading and discerning a range of

sources pertinent to address topic. Further, an analysis was executed and the conclusion was verified and was presented in a written form.

The Biography of IbnSina

IbnSina is his popular name while his full name is Abu Ali al-Husain Ibn Abdullah IbnHasanIbn Ali IbnSina. He was known as a doctor, chemist, Islamic philosopher and economic thinker many have not studied IbnSina's conceptions in the economic realm. IbnSina was born in Afsyana, an area near Bukhara, in Syafar 980 AD, he was coming from a Persian family who was fond of learning (Aroqi, 1991: 31). His father's name was Abdullah, a respected scholar of the Shi'ahIsmaili faith, at the time when his son was born, he was a Governor of the DaulatSamaniyah settlement during the reign of Amir Nuhibn Mansur (at present, Afghanistan) (Tholkhah & Barizi, 2004: 248). His mother was Turkish. On account of this genealogy, IbnSina was later on often claimed to be Turkish, Persian and Arabic as his nationality (Putra, 2015: 191-201).

IbnSina's family was wealthy and respected. His family background as such became a very supporting factor in the formation of his scientific personality and his brilliant intelligence. On the other side, IbnSina's family paid serious attention to science and education which further had a great impacts on his intellectual career. IbnSina lived in a period of Abbasiyah's glory in terms of science and education even though it sharply contrasted with the political situation which have many conflicts and divisions. At that time, education was a demand so that the number of scholars was so numerous; the library was filled with the presence of Muslim scholars, and translation works were continuously produced for a variety of knowledge from other nations following the caliph and the viziers' intention.

IbnSina lived in the fourth century of the Islamic era, during the Abbasiyah dynasty (Salleh&Embong, 2017: 16). The harmonious relationship established between the Abbasiyah rulers and the Muslim scholars contributed to the rapid development of the sciences and spawned various competent Muslim scholars in their fields including IbnSina, (Zamzam&Aravik, 2019: 83). In the West, he was more popular with the name Avicenna which is come from the Jewish-Spanish-Latin metamorphosis (Herwansyah, 2017: 55). IbnSina was known as a prodigy. His early education commenced from his father's guidance in Bukhara. His education was categorized as encyclopedic whereby it ranged from Grammar, Geometry, Physics, Medicine, Law, to Theology (Rukmana, 2013: 22).

At the age of 5, IbnSina began learning. When he was 10 years old, he had completely memorized the Qurʾān as well as capably read it fluently; he also mastered Grammar, Arabic Literature, and a little Theology. Then he continuously studied on Religion, Medicine, Astronomy, Mathematics, Physics, Logic, and Metaphysics to Abu AbdallahNatili, an Aristotelian philosophy follower (Salleh&Embong, 2017: 16). As a very brilliant self-learner, IbnSina mastered medical science in just one and a half years, and he successfully surpassed his teacher, Isa bin Yahya (Arsyad, 2011: 14). At the age of 18, he had mastered Philosophy and various disciplines such as Mathematics, Astronomy, Music, Mysticism, Language, and Islamic law.

At the age of 21, IbnSina had attained a wide reputation as an outstanding doctor. His name gained increasing popularity in Medicine, especially after he was capable of curing the disease suffered by Sultan Bukhara, Amir NuhIbnManshur al-Samani, when he was 17 years old, and in return, he gave IbnSina a gift in the form of his library containing books that were rarely available in other libraries. Nevertheless, the library caught fire and IbnSina underwent bad luck. He was jailed since he was accused of being the doer (Gozali, 2016: 24).

When he was 22 years old, his father passed away. Under the political turmoil resulting from the seizure of power in the reign of Nuh bin Manshur between the two crown princes of Manshur and Abdul Malik, Abdul Malik further won and took over the reign. When the kingdom had not yet recovered from the war effects, and the government had not been stabilized, the invasion of the Sultanate of Mahmud al-Ghaznawi stroke, and Abdul Malik's power collapsed so that the entire area of the kingdom fell to Mahmud al-Ghaznawi. Seeing the chaotic situation which was increasingly growing, IbnSina left Bukhara and went to Jurjan then to Khawarizm, and he continuously moved from one area to the other until he finally reached Hamadzan. By Shams al-Daulah, Hamadzan's emir, IbnSina was appointed as a vizier. After the emir died, IbnSina was imprisoned by the successor of the previous emir. Subsequently, IbnSina fled to Isfahan and was widely welcomed by the ruler of this area (Nur, 2009: 107).

With ʿAla al-Daulah, the Isfahan ruler, IbnSina could finally defeat the Hamadzan's ruler. IbnSina further returned to that city, living with busy activities and scientific works, so that the joy and bitterness of life accompanied him. This condition was probably the cause of various diseases that he suffered (Baharuddin, 2015: 206). One of them was a cooling disease that could not be cured (Nur, 2009: 107-108) and finally took away his life in the month of Ramadan 1037

AD in Hamadzan, Persia, Iran, at the age of 58. He was buried there. Now, this place is a part of the Western Iranian state (Al-Iraqi, 1978: 43).

IbnSina's Conceptions of the Islamic Economy

IbnSina was called *Amir al-Athibba* (the prince of doctors); *Al-Syaikh al-Ra'is* (the elder of wise men); *Hujjah al-Haqq* (one who can scientifically make a convincing case for the given resources from the Almighty God (Allah SWT)) (Nasr, 1996: 231); and the third master of logic after the philosopher Al-Farabi and Aristotle (Falah, 2015: 426). IbnSina gained those predicates after successfully understood Aristotle's thoughts in his work, *Maqalah fi Aghrad al-Hakim fi Kullimaqalah al-Marsum bi al-Huruf*, by reading Aristotle's thoughts repeatedly up to 40 times. Finally, the contents of Aristotle's thoughts were revealed after a reading of al-Farabi's work entitled *TahqiqGharadAristatalis fi Kitab ma Ba'da al-Thabi'ah* (Wiyono, 2016: 70). Hence, in this context, IbnSina was considered a pioneer in the realm of philosophy that was compatible with al-Farabi and IbnRushd (Thaib& Yusuf, 2014: 2765).

IbnSina was a big figure in the Islamic world, he had a very broad influence on not only in the Islamic world but also the Western world. The scope of his expertise was quite extensive comprised of Medicine, Philosophy, Economics, Politics, Islamic Law, to Education (Deswita, 2013: 169). In the economic field, IbnSina's thoughts were found in many of his works such as *as-Syifa* and *Risalah as-Siyasah*. In those works, IbnSina elucidated in detail the things on Family, Household Management and Education. The aforementioned three elements were gathered into an integral part of the state that could not be separated.

A view of IbnSina's thought will be described below entail; his thoughts corresponding to humans as the economic agents, his thoughts in association with the economic revolution, community welfare, and the State of prosperity.

IbnSina's Thoughts on Humans as The Economic Agents

Humans are social beings who require socialization and association with the other people. The humans' tendency to get along and fulfill their needs becomes one of the characteristics that distinguish between humans and other creatures, namely animals. Humans cannot live alone in fulfilling their needs. Fellow humans must help one another to attain mutual satisfactions though in Islam individuals and groups are recognized to have their presence (Fadlan, 2010: 260).

As living things, humans certainly have needs, or in other words, the desires to get something needed to survive and carry out their functions. For instance, food and drinks are consumed to meet the body's needs, to eliminate hunger and thirst, and to continue to live.

Clothes are worn to cover and to protect the body from hot and cold temperature and so on (Machmud, 2017: 116). To fulfill all of those needs, humans have to work and interact with other humans every day. From this point, the economic activities then arise.

The proof that human beings are economic is analogized by IbnSina (d. 428 AH / 1037 AD) based on the history of the Prophet Adam (peace be upon him) who was sent from heaven to earth since the Prophet Adam (peace be upon him) had eaten the *khuldi* fruit. According to IbnuSina's conception, Adam and Eve ate the *khuldi* fruit on account of their human's instincts as the agent of the economy for their needs on food. Thus, economic activities are human activities to fulfill their life needs properly, both in the form of production, consumption, distribution and other activities (Hanifullah, 2012: 269).

The fulfillment of those needs is always linked to the main purpose of why humans are created by Allah SWT, namely as *Abdullah (the servant of God)* (QS. Adz-Dzariyat [51]: 56) and as the Caliph on earth (Surah al-Baqarah [2]: 30, Fatir[35]: 39). As a caliph, humans are given the authority in the form of freedom to choose and to decide. With such freedom, they can create dynamic creativities in fulfilling their needs. As *Abdullah (servant of God)*, humans must show obedience, submission, and compliance only to Allah SWT (Zamzam&Aravik, 2017: 8).

This is where the fundamental difference between the philosophy of demand between the conventional theory and Islam. Islam always relates their activities in fulfilling needs with the main purpose of why human beings are created, namely to worship Allah SWT. When humans forget the purpose of their creation, then the essence of their life is the same with the livestock that eats merely because of being hungry (Machmud, 2017: 116). In fulfilling needs, Allah SWT adorns humans with desire so that eagerness emerges in humans (Gunawijaya, 2017: 140).

The actual purpose of desire creation is to drive humans to find food to capably cope with hunger. The symbolization of desire in this regard is well illustrated in the action of Adam and Eve who ate *khuldi* fruit for various needs to be fulfilled well and easily. Islam encourages every human to constitute a community, group, or country. This way lies to be a medium for humans to establish the actualization for themselves, the community and the country, especially in fulfilling their needs in life.

Hence, it can be construed that the rise of economic activities in IbnSina's perspective is because of human needs. This means that IbnSina's theory is aligned with modern and contemporary economic theories about the emergence of economic activities. Although there are

differences in understanding and implementing the economic needs and economic practices. This point is greatly affected by situations, conditions, ideology, and political interests.

As *homo economicus*, humans must manage their expenses. IbnSina classifies expenditures as compulsory and non-compulsory. The compulsory expenditures must be connected to daily living and good deeds for others. In the meantime, those categorized as non-compulsory expenditures are savings. Thus, IbnSina encourages people to think intelligently to anticipate the changes that will be faced in the future (in the context of savings). For the compulsory expenditures, which is consumptive expenditures must be spent as economically as possible. While for the expenditures that pertain to those of good deeds, they are better to be spent in a large amount to empower the poor so that they can be independent. Furthermore, routine assistance for the poor is better avoided because it cannot empower them, on the contrary when the assistance is stopped, it can become an unpleasant impression on both parties (Fauzia, 2014: 57).

The last, as *homo economicus*, humans need countries that have strict economic politics for the sake of being able to bridge various humans' interests towards justice and overall prosperity. Therefore, the countries must play a strategic role in an effort to apply economic policies for humankind by selecting economic ideologies to prosper society; carrying out development in all fields such as the development of human resources, infrastructure, or others; the concept of welfare to be achieved in both material and spiritual welfare (Beik&Arsyianti, 2016: 110).

To realize all of the aforementioned economic politics, two important things that must be owned by a country according to IbnSina's perspective. The first is income, and the second refers to expenditure which must be passed through a lawful and legal process. The two points must be regulated by a budget with careful calculation (Fauzia, 2014: 56-57). The overall management as such had been handled by *bayt al-mal* (state treasury) which had institutionally been formed by the Caliph Umar bin Khattab (Supangat, 2013: 92).

At that time the property of *bayt al-mal* was considered as the Muslims' property, while the Caliph and the *amil* only played a role as trustees. Accordingly, the state was responsible for provisioning food for widows, orphans, and neglected children; financing the burial of poor people; paying the debts of those who were bankrupt; paying *diyath* money for certain cases such as paying *diyath* for the Shebani's soldier who killed a Christian for the sake of saving his life; and providing interest-free loans for commercial purposes, for instance, the case of Hind bintAtaba (Mudhiiah, 2015: 202).

IbnSina's Thoughts in Association with the Economic Revolution

IbnSina believes that the problems concerning the economy are of the most important in carrying out a social revolution. By looking at the Prophet Muhammad's (peace be upon him) history until that of the Abbasiyah dynasty, IbnSina understood that the social formation was begun by the Prophet Muhammad (peace be upon him) by improving the economy of Muslims who at that time were still few. The *Anshar* community, those from the upper-middle class were united with the *Muhajirin* community as a representation of the lower-middle-class people in the law of brotherhood which was popular in the event called *MuakhahIslamiyah* (the brotherhood of Islam).

Once the Islamic state was established, the state further began to interfere with the economic system by establishing *zakat* for all of the Muslims as also aligned with the fourth pillar of Islam. Those who were capable of providing *zakat* would share 2.5-10% of their wealth to the poor. Besides *zakat*, there were various economic sectors which could contribute to *baytal-maal* (state treasury) such as *al-jizyah*, *al-kharaj*, *khumus*, *fai*, which were functionally intended for the community, such as the poor (Ahmad, 1974: 11).

The condition of the economy under the leadership of the Prophet Muhammad (peace be upon him) until the middle term of the Uthmaniyah Caliphate was so harmonious. Nonetheless, after Uthman bin Affan (656M) issued a policy which separated the state interference in the scope of the economy, the harmonious of the economic system was eventually shaken with the emergence of an Islamic socialist movement pioneered by Abu Dzarr al Giffari. According to Abu Dhar, Muslims should not have wealth more than their needs to support their lives within a day and a night, or they should spend it in the way of Allah SWT; or they promised to donate it. As a consequence, he was sent to Medina by the Caliph, he was further sent to Rabaza, a desert area. There, he died in a state of hunger, previously he lived by relying on people's mercy. The Caliph's treatment towards "the defender of the poor" absolutely led up to the people's anger and unrest (Karim, 2007: 59). Based on that event, IbnSina believed that the state advancement must be commenced with an economic revolution because, with an established economy, the state would capably prosper the community (Ahmad, 1974: 99).

IbnSina's Thoughts on community welfare

Welfare is the goal of Islamic teachings in the economy and as part of Islamic principle as *rahmatanlilAlamiin*. Welfare can be attained if the aspects of economic sovereignty and good economic governance can be realized in reality (Beik&Arsyianti, 2016: 30). The welfare of

Islam *per se* is placed on both material and spiritual welfare. Welfare can be maximized if the economic resources are allocated in such a way that they are framed based on the Qur'an and the *Sunnah* (Hanifullah, 2012: 280). There are many verses of the Qur'an that elucidate about welfare both explicitly and implicitly. For instance, welfare is a guarantee or promise from Allah SWT given to men and women who believe in Him (Surah al-Nahl: 97); Being grateful to Allah SWT is a means to obtain welfare (QS. al-A'raf: 10); welfare can be reached by devoting to Allah SWT (QS. An-Nisa '[4]: 9); welfare is only obtained by completely surrendering to Allah SWT (al-Baqarah [2]: 126) (Purwana, 2014: 29-33); and welfare is gained through humans' complete dependence upon Allah SWT, eliminating hunger, and eliminating fear in society (QS. Quraish [106]: 3-4) (Sodiq, 2015: 390).

The welfare that is expected by Islam extends to holistic and balanced welfare whereby it entails material as well as spiritual dimensions and covers individual and social dimensions on the one side. On the other side, it also entails welfare in the world and the hereafter because humans live not only in the world but also in the afterlife (Pusparini, 2015: 49). For this reason, the concept of welfare in the Islamic economy is measured by not only economic values but also moral, spiritual and social values (Sardar & HR, 2016: 395). Welfare is the main goal of the Islamic economy to be realized besides a good and honourable life (*al-hayaal-tayyibah*). Accordingly, Ibn Sina views most individual behaviour as the path to the welfare and believes that the society's welfare in overall depends upon each of their constituents behaviour (Shamsaei & Mahmoudi, 2017: 1396).

Individual behaviour must be led to the truth through wisdom by the leaders through doing self-cleaning in the community. That is because the leaders have been fed by the people who put their trust in them with the expectation that they will be beneficial to the community (Shamsaei & Mahmoudi, 2017: 1396). Moreover, one of the factors causing the establishment of public welfare in an Islamic perspective is the realization and fulfilment of various needs of humans' life in a balanced and equitable manner (Sodiq, 2015: 389).

The community needs which are sufficed will have an impact called *mashlahah*. *Mashlahah* means all forms of circumstances, both material and non-material, can enhance humans as the noblest being (Pusparini, 2015: 50). *Mashlahah* is a concept grounded in two main aspects, namely benefit and blessing (Aji, 2012: 66). *Mashlahah* will be attained when a process extends to benefit and blessing (Beik & Arsyianti, 2016: 30). *Mashlahah* is a component that supports the primary elements and objectives of humans to live on earth. There are 5 basic elements, namely

life or soul (*al-nafs*), property (*al-maal*), belief (*ad-din*), intelligence (*al-aql*), and family or descent (*al-nasl*) (Machmud, 2017: 138).

IbnSina's Thoughts on the State of prosperity

Prosperity is an ideal goal that has to be achieved by a country. Hence, in this regard, IbnSina offers the concept of the state of prosperity in *siyasahal-rajul*, which means a socialist state based on kinship. The state of prosperity aspired by IbnSina is known from three names, namely Community State (*al-Madinah al-Fadhilah*) or Collectivistic State, Fair State or Just State (*al-Madinah al-'Adilah*), and Moralistic State (*al-Madinah al-Hasanah al-Masirah*) (Triyanta, 2012: 9).

In the Community State (*al-Madinah al-Fadhilah*), every citizen must obey the bases prevailing in the state, namely: living together, helping and maintaining one another, and protecting their property and honour. The state applies strict discipline for the citizens. Anyone, who is hostile to the state's ideology and opposes the state law, is considered the state enemy that must be fought against and exterminated. Property and honour of the state enemy are *halal* which means that the state has the right to take them and to establish the law which determines the fate of the aforementioned property and honour.

In a Just State (*al-Madinah al-'Adilah*), the state must be a "law-state" which is anchored in "justice". It means that the state prioritizes and is based upon justice. This kind of state or country is the most convenient place to practice specifically for the people who are still far behind or underdeveloped so that they can become experts in law and justice. The citizens may work as "servants" (employees) at the first level, while in the meantime learning is to achieve intelligence and expertise in the field of law. The countries whose citizens do not understand the state law will collapse and be underdeveloped.

In the meantime, in the Moralistic State (*al-Madinah al-Hasanah al-Masirah*), the state must conform to the basis of praiseworthy qualities and noble characters. The issue concerning noble character is oriented towards respect for the rule of law. It means that when confronted with a "new" constitution or law, as a consequence, there is no reason for citizens not to obey it insofar as the law is still valid. Therefore, a moralistic state is made compulsory to all citizens to prioritize their morality in obedience to the law. Such obedience refers to a noble "political moral".

Thus, in a country of prosperity, IbnSina hints at two substantial things that must be present in a country, namely *mal musytarak* (collective property) and *al-masalih al-*

musytarak(community/joint interests). Besides, IbnSina also introduces the term of political economy when addressing the state-related theories. Among them entails a conception that *mal mustarak* must be allocated for the sake of helping *udzur* people, those because of being either sick or old. In this context, IbnSina has addressed that the state needs to intervene the people's economic situation and IbnuSina has touched the various economic problems faced by the people even though the addressed scope is still very limited and general (Triyanta, 2012: 10-11). The state intervention is undertaken in association with the people's economic activities as needed so that the state is capable of guaranteeing the upholding of the rule of law and the fulfilment of various people's needs.

The head of the country in the perspective of the country of prosperity aligns with the head of household, whereby a difference is stressed only on a large family so-called the state. The inner bond between all citizens and the government is not solely because of the country's constitution or law, but it is more due to the basis of piety to Allah SWT that is so firm. Accordingly, a sense of brotherhood is established only based upon the Islamic faith (*ukhuwwahIslamiyyah*) (Khalik, 2016: 156).

The state of prosperity has to rest on justice because justice is very urgent in life especially in terms of social contracts (Saputra, 2012: 191). Justice is a principle that represents the law of the entire universe. Therefore, violating justice means violating the laws of the cosmos, and the sin caused by injustice will have any impacts on the destruction of the order of humans as a society. Justice becomes the moral goal, target and hope of mankind whenever and wherever they are. Justice is moral values that are strongly emphasized in the Qur'an. The Islamic conception is associated with justice refers to the Qur'an provision which commands people to do justice (*al-'adl*) and virtue (*al-Ihsan*) (QS. An-Nahl [51]: 90). Justice is often placed equally with virtue and piety (QS Al-Maidah [5]: 8) and leads humans to be fair in all things, specifically for those who are entrusted with power and those who are always in dealing with transaction and business (Qadir, 2001: 158).

So that prosperity can be created in society, IbnSina advises everyone to have enthusiasm at work, have loyalty to the state, and be productive so that there are no unemployed and parasitic people who only rely upon others' help. Moreover, working in Islam is a necessity imposed on every believer, and even it becomes an intrinsic obligation for a husband to provide subsistence for his wife and children. To achieve the happiness promised by Allah SWT, humans must be diligent and enthusiastic in their work so that the expected goals could be attained.

Working sincerely for the sake of seeking *halal* sustenance and income and completely making the use of the results in the way of Allah SWT are equated with the *mujahid* who fights in the way of Allah SWT (Sardar & HR, 2016: 391). Conversely, some people really cannot afford to work, the state must guarantee their needs through collective assets (*mal musytarak*), namely state assets that are functionally used for the people's interests. For this case, the state is obliged to guarantee that all individual basic needs are met, in the context of both social security and social balance. Besides, the state role is highly required in ensuring a smooth distribution. The state gets many choices in the form of policies (through regulations or legislation) or other instruments to do so. The role of the government is to ensure that the citizens' behaviour remains in a way of realizing and fulfilling the aforementioned values (Amalia, 2011: 86-87).

Derived from the above explanations, it can be understood that IbnSina has positioned lots of the ideal values in an Islamic economy which becomes the foundation for the further development of the Islamic economy. In the realm of social welfare theory, for instance, IbnSina's concept inspired a lot of contemporary Islamic economists such as NejatullahShiddiqi, Yusuf Qardhawi, and HosseinAskari when elucidating the welfare standards in Muslim countries.

IbnSina's Thoughts on the Islamic Economy in the Context of Indonesia

IbnSina's conception of the Islamic economy is very relevant if it is contextualized with Indonesia today. In this sense, as a country with the largest Muslim population in the world, Indonesia is certainly able to play a significant role and can even become a reference for other Muslim countries in implementing a variety of theories originated from Islamic economic leaders' thoughts, especially of IbnSina in the life of the nation.

In line with the vision of the Indonesian nation *GemaRipahLohJinawi Tata TentremKertaRaharja* (a country with fertile territory and bringing welfare, order, peace and prosperity), what is offered by IbnSina in *Siyasah al-Rajul* is worth to be pondered and implemented in life because this concept is very close to Pancasila as the ideology and philosophy of the Indonesian nation, whereby in the formation process, it is strongly influenced by the teachings of Islam (Rama & Makhilani, 2014: 25).

In the Pancasila economy, for instance, there is a necessity for the Indonesian people to undertake economic rules following the teachings and commands of God which guarantees prosperity and welfare evenly and in a way that is free from all oppression in brotherhood relationship, help and justice. Humans in Pancasila are regulated in the first sila which mentions

"Belief in the one supreme God", that human are not only as *homo economicus* (having economic needs) but also *homo metaphisicus* and *homomysticus* (having social and moral instincts) as the devotion to the Supreme God (Firmansyah, 2014: 32).

Pancasila economy is under the understanding of joint ventures and the principle of kinship (mutualism and brotherhood) which becomes the moral spirit of the Pancasila. The people's position is central-substantial and is oriented towards human-centred but not capital as in a capitalist economy. Accordingly, the economy firmly mandates socially prosperous community as stated in articles 27, 33 and 34 of the 1945 Indonesian Constitution. These articles outline the Indonesian economic constitution which clearly states the bases of economic activities with kinship principle and togetherness along with the state's important role in allocating economic resources for prosperity and shared welfare (Rama & Makhilani, 2014: 19).

Hence, the Pancasila economy teaches us that in the economic activities it is not permissible to ignore cooperation (cooperation-based economy), disempowering one another, and having to work together to form mutual power (*Macht-vorming*) in synergy. The concrete implementation of Pancasila-based democracy is a cooperative movement through the concept of "triple-co" that covers co-ownership, co-determination and co-responsibility. Thus, the nation's goals that expect for prosperity, justice and welfare can be realized well. All of those are shown to advance and empower the overall economic actors in a balanced and sustainable manner towards qualified economic growth, namely economic growth that guarantees equitable distribution (Firmansyah, 2012: 285).

This point is important because IbnSina states that the society's welfare in overall depends upon each individual's behaviour in addition to the constituent that can implement the concept of "triple-co" in the management of the natural resources. Hence, Pancasila must be able to be a catalyst for social solidarity, so that it can establish a society that stands on the principle of kinship as well as togetherness along with helping one another.

It is very different from the concepts of the capitalist and socialist economy which separating itself from the ethical philosophy and the interests of moral values so that such sort of economic concepts ultimately erodes the values of cooperation, deliberation, help and togetherness in the religious frame. In the other end, it can result in the rise of poverty amid prosperity. This condition could become a conflict with moral and religious values (Latif, 2014: 168) and even deviate from Islamic guidance and is contrary to the Pancasila economy.

3. Conclusion

Grounded in several sets of the presentation above, it can be construed that IbnSina was not only a well-known and worldwide doctor, chemist, and Islamic philosopher but also an expert in Islamic economics. Lots of ideas on economy were derive from his work *as-Syifa* and *Risalah as-Siyasah* such as the issues about humans as economic agents, economic revolution as the main foundation of economic development as practiced by the companions of the Prophet Muhammad SAW (peace be upon him), Abu Dhar al-Ghifari, which welfare and prosperity as the main goals of economic practice as well as the state administration. Hence, a state of prosperity, whether it is in the form of a Social State (*al-Madinah al-Fadhilah*) or Collectivistic State; Fair State or Just State (*al-Madinah al-'Adilah*); or a Moralistic State or Moralistic State (*al-Madinah al-Hasanah al-Masirah*) must capably ensure the establishment of real prosperity of the community and also eager to encourage every citizen to have enthusiasm at work, loyalty to the country, and adequate productivity so that there are no unemployed and parasitic people who only rely on others' help. In the context of Indonesia, IbnSina's ideas are highly relevant to be harmonized with the Pancasila economy by the understanding of joint business and the principle of kinship (mutualism and brotherhood).

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