

CORRELATION BETWEEN CONVENTIONAL THEORY AND ISLAMIC ECONOMIC THOUGHT

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Abstract: This study discusses conventional economic theory, Islamic economic thought, and its correlation or relationship. Conventional economics views worldly life as an absolute right for humans, while Islamic economics teaches that worldly life is based on the principle of accountability to Allah SWT. Because of this difference, location of the difference is presented in this paper. This research is library research, conducted by analyzing and interpreting the theoretical matters related to the research. The results showed that; First, conventional economics is an economic theory related to “freedom” to move towards a free market and the economic system understands free trade in the era of globalization which aims to eliminate protectionism economic policies. Second, Islamic economics is a science that seeks to see, study, research, and finally solve economic problems in an Islamic way. Third, is the correlation between conventional economic theory and Islamic economic thought; conventional economics views science as something secular, while Islamic economics is based on religious principles. The research findings also show that the basic differences lie in differences in principles, differences in market mechanisms, differences in wealth distribution, differences in profits, differences in objectives, and differences in the concept of ownership.

Keywords: economics; conventional; Islamic thought

Abstrak: Penelitian ini membahas tentang teori ekonomi konvensional, pemikiran ekonomi Islam, dan korelasi atau keterkaitannya. Ilmu ekonomi konvensional memandang kehidupan duniawi sebagai hak mutlak bagi manusia, sedangkan ekonomi Islam mengajarkan bahwa kehidupan duniawi didasarkan pada prinsip pertanggungjawaban kepada Allah SWT. Karena perbedaan tersebut, lokasi perbedaannya disajikan dalam makalah ini. Penelitian ini merupakan penelitian kepustakaan, yang dilakukan dengan menganalisis dan menafsirkan hal-hal teoritis yang berkaitan dengan penelitian. Hasil penelitian menunjukkan bahwa; Pertama, ekonomi konvensional merupakan teori ekonomi yang berkaitan dengan “kebebasan” untuk bergerak menuju pasar bebas dan sistem perekonomiannya memahami perdagangan bebas di era globalisasi yang bertujuan untuk menghilangkan kebijakan ekonomi proteksionisme. Kedua, ekonomi Islam merupakan ilmu yang berupaya melihat, mengkaji, meneliti, dan akhirnya menyelesaikan permasalahan perekonomian dengan cara Islami. Ketiga, korelasi teori ekonomi konvensional dengan pemikiran ekonomi Islam; ilmu ekonomi konvensional memandang ilmu pengetahuan sebagai sesuatu yang sekuler, sedangkan ilmu ekonomi Islam didasarkan pada prinsip-prinsip agama. Temuan penelitian juga menunjukkan bahwa perbedaan mendasar terletak pada perbedaan prinsip, perbedaan mekanisme pasar, perbedaan distribusi kekayaan, perbedaan keuntungan, perbedaan tujuan, dan perbedaan konsep kepemilikan.

Kata kunci: ekonomi; konvensional; pemikiran Islam

Introduction

The main problem that arises from the differences outlined between conventional economics and Islamic economics lies in the conflicting nature of their foundational principles and approaches.

These differences give rise to challenges and debates in various aspects of economic theory and practice. Here are some key challenges; conflict in economic philosophy, government intervention vs free market, wealth distribution disparities, profit

gain methods, differing goals and values, and the concept of property ownership.

Economic disparity phenomena often become a critical problem in developing country, mostly because the economic disparity.¹ The statement that Islamic economics is still looking for its identity² should be a runway for Islamic economics researchers to develop it. Economic thought as far as it is known dates back to the time of Ancient Greece. This is where the word economy comes from, namely from the merger of two Greek syllables *Oikos* and *nomos* which means household regulation or management. or propriety that needs to be considered in creating a just and equitable society.³

What is overlooked in the discussion of economic thought is that academics often ignore the contributions of Muslim scholars. This is because western economic thinkers do not explicitly mention the references from the classical Islamic scholarship books. Josep Schumpeter called it the "Great Gap" in the 500-year history of economic thought.⁴

Currently, the situation is different. The development of Sharia economic ideas or thought has entered the discourse stage because it has entered the institutionalization stage of ideas and the regulation stage in the form of laws, national-level government regulations, and development of economic policies. Thoughts that more or less support the industry or are in the form of thoughts that criticize Islamic banking operations, which are considered to run away from the ideals of Islamic economics and are no different from conventional banking.⁵

¹ Syawaluddin S, "Islamic Banking and Its Contribution Toward Disparity Income in Indonesia," *Madania: Jurnal Kajian Keislaman*, vol. 25, no. 2 (February 10, 2022), p. 263, accessed November 12, 2023, <https://ejournal.iainbengkulu.ac.id/index.php/madania/article/view/5647>.

² Abdulkader Cassim Mahomedy, "Islamic Economics: Still in Search of an Identity," *International Journal of Social Economics*, vol. 40, no. 6 (January 1, 2013), pp. 556–578, accessed November 12, 2023, <https://doi.org/10.1108/03068291311321857>.

³ Deliarnov, *Perkembangan Pemikiran Ekonomi*, (Jakarta: Raja Grafindo Persada, 2015), p. 12.

⁴ Euis Amalia, *Sejarah Pemikiran Ekonomi Islam Dari Masa Klasik Hingga Kontemporer*, (Depok: Gramata Publishing, 2005), p. 69.

⁵ Cahyono Bayu Aji, "Pemikiran Ekonomi Islam Indonesia," *Al-Muamalat Jurnal Hukum Ekonomi Syariah*, vol. 2, no. 2 (2017), pp. 36–50, <https://journal.iainlangsa.ac.id/index.php/muamalat/article/download/612/383>.

The novelty in the challenges arising from the differences between conventional economics and Islamic economics lies in the unique perspectives and principles brought by each system. which is explained in detail in six points in the discussion of this research.

Economic problems are as old as human existence itself. Socio-economy to realize human benefit.⁶ However, the earliest concrete evidence can be traced back only to the time of ancient Greece. Meanwhile, in Islamic economic thought, it is explained that Islamic economic thought is the response of Muslim thinkers to the economic challenges of their time. Such economic thought is inspired and guided by the teachings of the Quran and Sunna, *ijtihad* (thoughts), and their empirical experience. The object of study in Islamic economic thought is not the teachings of economics but the thoughts of Islamic scientists about economics in history or how they understand the teachings of the Quran and Sunna on economics. The object of Islamic economic thought also includes how the history of Islamic economics occurred in historical practice.⁷

We know that Islamic civilization emerged around the 6th century AD until the end of the heyday of the Abbasids in the 12th century AD. At that time, many Muslim scholars studied and produced works in almost all fields of science, including economics. Although not as detailed as the descriptions of medieval economic thinkers, several Muslim economic figures put forward several new ideas about economic practices both in terms of economic activity at that time the analysis of the texts of the Quran and Hadith. Even an economist and fuqaha, namely Al Syaibani who lived in 750-804 AD has made a book called *al-khasb* (Work).⁸

⁶ Rahman Ambo Masse, Andi Aderus, and Ali Halidin, "Developing Sharia Economic Instrument for Indonesia-Malaysia Hajj Service System: Maqâshid al-Syarī'ah Perspective," *Madania: Jurnal Kajian Keislaman*, vol. 25, no. 2 (December 31, 2021), p. 195, accessed November 12, 2023, <https://ejournal.iainbengkulu.ac.id/index.php/madania/article/view/5031>.

⁷ Kharidatul Mudhiiah, "Analisis Sejarah Pemikiran Ekonomi Islam Masa Klasik," *Iqtishadia*, vol. 8, no. 2 (2015), pp. 189–210, <https://journal.iainkudus.ac.id/index.php/IQTISHADIA/article/view/956/999>.

⁸ Adiwarman Azwar Karim, *Sejarah Pemikiran Ekonomi Islam*, (Jakarta: Rajawali Pers, 2004), p. 234.

Furthermore, this study discusses conventional economic theory, Islamic economic thought, and its correlation or relationship. Conventional economics views worldly life as an absolute right for humans while Islamic economics teaches that worldly life is based on the principle of accountability to Allah SWT. Because of this difference, the location of the difference is presented in this paper.

Method

This research is qualitative. The approach is done by analyzing and interpreting things that are theoretically related to research.⁹ This study used a comparative between Islamic economics and conventional economics. This study also used a descriptive method by describing related correlation between conventional theory and Islamic economic thinking in detail.

The data used are primary data obtained from the documentation by adopting the opinions of experts and practitioners who understand the issues discussed.¹⁰

The data collection technique in this research is documentation, which is looking for data about things or variables related to data collection correlation between conventional theory and Islamic economic thinking from book sources, national journals, and international journals.¹¹ Then analyzed library data that is a descriptive.

Correlation between Conventional Economic Theory and Islamic Economics

Like a double-edged sword, the discourse of an Islamic economic system amid two well-established economic systems, namely the capitalist and socialist economic systems, has

raised many pros and cons among scholars. Economists generally still have doubts about the conceptual framework of the Islamic economic system. Most assume that the Islamic economic system is only a formula taken from the two existing economic systems and not based on the foundation of Islamic teachings.¹²

The big doubt about not without reason. The reason is that until now there are many literature/ references related to the history of economic thought that does not include the glory phase of Islam in the periodization of the development of economic thought. For example, the eminent historian and economist Joseph Schumpeter completely ignored the role of the Muslims. He began writing his economic history from the Greek philosophers and immediately made a long leap for several centuries known as The Great Gap to the time of St. Thomas Aquinas (1225-1274 AD).¹³

In fact, during the development of Islam between the 6th century and the end of the 12th century, many Islamic economic thinkers produced their ideas in economics. Not a few of them even coined the theory which modern economists later developed. Like al-Maqrizi, he clearly explained the concept of inflation long before the 19th century, which was put forward by Milton Friedman.¹⁴

J.A. Schumpeter argues that the economic system is a comprehensive composition of economic units consisting of definite forces against the principles of liberal economics and socialism and others.¹⁵

Talking about the economy, the discussion covers the entire economic system, whether it's about market mechanisms, the concept of supply and demand as well as global economic problems. Likewise with Islamic economics, Islamic economics does not only discuss interest, usury, or other popular terms.

⁹ Haris Maiza Putra and Hisam Ahyani, "Internalization in Islamic Law Progressive in Criminal Law Changes in Indonesia," *Jurnal Ilmiah Al-Syir'ah*, vol. 20, no. 1 (2022), pp. 68–90, <http://journal.iain-manado.ac.id/index.php/JIS/article/view/1861/1241>.

¹⁰ Dedah Jubaedah et al., "Legal Analysis of Crypto Investment in Era 4.0 View From Credo Theory," *Diponegoro Law Review*, vol. 7, no. 2 (October 27, 2022), pp. 262–278, accessed May 12, 2023, <https://ejournal.undip.ac.id/index.php/dlr/article/view/42938>.

¹¹ Pat Kurniati et al., "Cara Mudah Belajar Menulis Jurnal Menggunakan Referensi Otomatis Microsoft Word dan Zotero," *Jurnal Ilmiah P2M STKIP Siliwangi*, vol. 9, no. 1 (2022), p. 11, <http://e-journal.stkipsiliwangi.ac.id/index.php/p2m/article/view/3131>.

¹² Nasrulloh Ali Munif, "Sistem Ekonomi Islam: Dialektika Antara Thesis, Antithesis dan Plagiat," *An-Nisbah: Jurnal Ekonomi Syariah*, vol. 2, no. 1 (October 15, 2015), pp. 319–348, accessed August 11, 2022, <http://ejournal.iain-tulungagung.ac.id/index.php/nisbah/article/view/259>.

¹³ Munif, "Sistem Ekonomi Islam."

¹⁴ Karim, *Sejarah Pemikiran Ekonomi Islam*, 234.

¹⁵ Joseph Alois Schumpeter, *History of Economic Analysis*, (England: Oxford, 1995), p. 136.

The correlation or relationship between conventional economic theory and Islamic economic thought in this paper is tried to look at the differences because different principles are difficult to find points of similarity. Among others are:

Figure 1. Conventional Economic Theory and Islamic Economic Thought

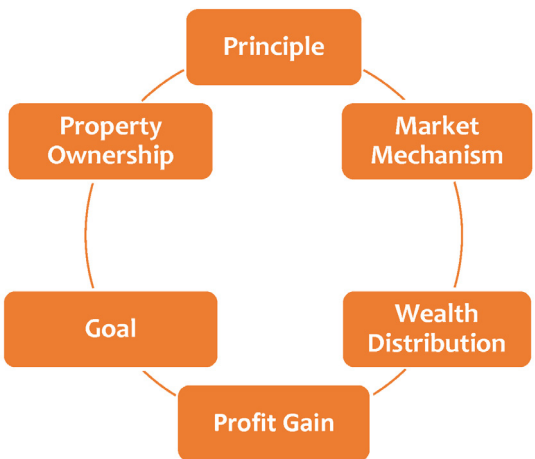


Table 1. Difference

Point	Conventional	Islamic Economics
Principles	Grounded in the concept of scarcity and individual freedom, with a focus on optimal allocation of limited resources and the pursuit of self-interest	Rooted in principles of social justice and the pursuit of an authentic Muslim identity, aiming to solve economic problems within an Islamic framework
Market Mechanisms	Advocates for a free market with minimal government intervention, emphasizing the “invisible hand” for efficiency	Emphasizes the role of government, supports profit-sharing, and believes in government intervention to ensure fairness in production and distribution
Wealth Distribution	Wealth distribution depends on capital ownership, often resulting in uneven distribution due to private ownership	Aims for justice in wealth distribution through mechanisms such as Zakat, ensuring wealth circulates, especially among the less fortunate
Profit Gain	Allows any legal means for profit, including the time value of money and interest	Limits profit gains to business transactions, with profit-sharing mechanisms and the prohibition of interest

Point	Conventional	Islamic Economics
Goal	Studies human behavior in meeting unlimited needs with a focus on scarcity and choices	Studies human behavior to achieve “Falah” (peace and prosperity) while considering divine values and forming a balanced society
Property Ownership	Generally supports private property rights as a fundamental aspect of a market economy.	Limits property ownership in terms of quality, distinguishing between halal and haram means of obtaining assets

First, principle difference: The fundamental principles of scarcity and individual freedom in conventional economics clash with the principles of social justice and an Islamic identity in Islamic economics. This conflict can create challenges in finding common ground for economic policies and practices.

Second, market mechanism: The difference in views on the role of government intervention in the economy poses a challenge. Conventional economics advocates for a free market with minimal government involvement, while Islamic economics emphasizes the need for government intervention to ensure fairness and social justice.

Third, wealth distribution: The divergent approaches to wealth distribution, where conventional economics often results in uneven distribution due to capital ownership, contrasts with Islamic economics aiming for justice through mechanisms like Zakat. This can lead to debates on the most effective and ethical way to distribute wealth.

Fourth, profit gain: The acceptance of any legal means for profit, including interest, in conventional economics, differs significantly from Islamic economics, which prohibits interest and limits profit gains to ethical business transactions. This can lead to challenges in aligning financial systems with Islamic principles.

Fifth, goals: The distinct goals of conventional economics, focused on meeting unlimited needs and addressing scarcity, conflict with the Islamic economics goal of achieving “Falah” (peace and prosperity) while considering divine values and forming a balanced society. This creates challenges in setting economic priorities and policy objectives.

Sixth, property ownership: The contrast regarding property ownership raises challenges in defining property rights and regulations. Balancing the rights of individuals to own property with ethical considerations and societal welfare becomes a complex issue.

Principle Difference¹⁶

The principles of Islamic economics define the framework within which economic activity occurs within social justice. Therefore, it is based on ideology to form an authentic Muslim identity against the global domination of capitalism.¹⁷

Conventional economics adheres to the concept of scarcity, which states that the available resources are limited so the purpose of this discipline is to study human behavior in the face of scarcity. Therefore, economics only studies how to optimally allocate limited resources and provide freedom for individuals to determine the purpose of using these limited resources.

While Islamic economics is a goal-oriented discipline, Islamic economics does not only study how (means) the allocation of limited resources efficiently but also studies the ends (ends) of using these resources.¹⁸

Differences in Market Mechanism¹⁹

Conventional economics adheres to the understanding of a free market mechanism in which each individual can enter and exit the market without any prohibition or intervention. According to Adam Smith, the market has the potential to create balance. This balance, which he later referred to as the “invisible hands”, in which if the market mechanism is left free without any rules (without

any restrictions on production or consumption) then consumer demand for a good/service will be balanced with the supply from the producer side so that it will create prosperity in society. This mechanism will maximize profit gain, increase innovation, create job sharing, and promote price balance.

Economic balance is the goal of the economy. In this case, it concerns how demand includes supply in it. In the theory of demand and supply and the consumer behavior analysis, the interaction between sellers and buyers has been explained in determining the type of goods and the amount of goods needed to be produced. The analysis of supply with the Islamic microeconomic approach has been widely discussed by Muslim scholars, among which is what was stated by Adiwarman Karim, A production is said to be *maslahah* if it contains the motivation to earn profit without violating the Sharia, and realizing hard work as a reflection of *tawakkal*.²⁰

Meanwhile, Islamic economics does not believe in the existence of an “invisible hand” that makes the market efficient. Government involvement in the Islamic economic system is highly considered to support the production and distribution of goods/services. In Islamic economics, profit-sharing rules have been regulated, both in terms of production entities and distribution in the social security system.²¹

The Islamic economic system sees the government as an economic unit that coexists with other economic units on a permanent and stable basis. Even in the history of the Islamic economy, the government’s role in overseeing the market is carried out by an institution called *Al-Hisbah* which supervises the adequacy of goods and services in the market, supervising industry, services, and trade and overseeing the entire market.

¹⁶ Shibghatullah Mujaddidi, *Ekonomi Islam Suatu Pengantar*, (Pamekasan: Duta Media Publishing, 2020), pp. 29–30.

¹⁷ Mehmet Asutay, “A Political Economy Approach to Islamic Economics: Systemic Understanding for an Alternative Economic System,” *Kyoto Bulletin of Islamic Area Studies*, vol. 1, no. 2 (2017), pp. 3–18, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1735619.

¹⁸ Sayyid Tahir, “Islamic Economics and Prospects for Theoretical and Empirical Research,” *Journal of King Abdulaziz University-Islamic Economics*, vol. 30, no. 1 (2017), accessed August 11, 2022, https://marz.kau.edu.sa/Files/320/Researches/70184_43159.pdf.

¹⁹ Mujaddidi, *Ekonomi Islam Suatu Pengantar*, pp. 30–31.

²⁰ Ainun Nurul Sya’diah, “Teori Keseimbangan Umum dalam Ekonomi Islam,” *AKSY: Jurnal Ilmu Akuntansi dan Bisnis Syariah*, vol. 3, no. 2 (September 6, 2021), pp. 59–74, accessed August 23, 2022, <https://journal.uinsgd.ac.id/index.php/aksy/article/view/14052>.

²¹ Hisam Ahyani et al., “Implementasi Rahmatan lil-alam in dalam Ekonomi Islam (Analisis Alokasi dan Distribusi Pendapatan Negara tentang Eksistensi (Brand Ekonomi Syariah dan Wakaf Tunai) di Indonesia),” *Jurnal Baabu Al-Ilmi*, vol. 7, no. 2 (2022), p. 19, accessed June 22, 2022, <http://journal.walisongo.ac.id/index.php/attaqaddum/article/view/1206>.

Differences in Wealth Distribution²²

Rationalism in the conventional economic system is oriented to get the maximum profit. This advantage can be obtained from how much capital is prepared/expended by each economic unit. So it can be concluded that the distribution of wealth depends on the amount of capital owned. In the capitalist system, the distribution of wealth will never be evenly distributed because capital is a private good that cannot be regulated.

While in Islamic economics, one of the goals to be achieved is justice. This has the impact that every development result must be distributed fairly and equitably to the community. Justice in the distribution of wealth and property is realized through the mechanism of *zakat*, *infaq*, alms, and *waqf*. For example, the *zakat* mechanism principle helps distribute wealth by taking it from the rich and then giving it to the poor or deprived so that wealth is not only circulated among the rich. The concept of Islamic justice in the distribution of income and wealth is the desire of each individual.²³

Profit Gain Difference²⁴

In conventional economics, there are no restrictive rules about how an individual can earn. This implies that any capital owned by the economic unit, either in the form of money or otherwise, can be used to maximize its profits. The conventional economic system also recognizes the principle of the time value of money, which means that the current value of money is higher than the value of money in the future. With this principle, there is a “price” that must be paid by economic actors when borrowing/using capital from other economic actors, known as interest.

In any economic system, the main function of money is as a medium of exchange. From this main function, other functions are derived, such as money as a standard of value, store of value, unit of account, and standard of deferred payment. Any currency will

surely work like this. However, there is one thing that is very different in looking at money, between the capitalist and Islamic systems. In a capitalist economic system, money is not only a legal tender but also a commodity. According to the capitalist system, money can also be traded with excess both on the spot and tough. Furthermore, with this perspective, money can also be rented out.²⁵

Chapra argues that the absence of interest rates in an Islamic economy and the existence of several institutions such as *zakat*, minimizes speculative money demand and makes the total demand for money in an Islamic economy more stable.²⁶ Metwally believes that there are only two reasons for the demand for money, transaction motives and precautionary motives.²⁷ As a result of this kind of point of view, Chapra suggests that in an Islamic economic system, monetary instruments play a major role in executing monetary policy. In Islamic economics, monetary policy must be carried out to control the money supply and there is no need to use interest-based instruments.²⁸ In Islamic economics itself, what is prioritized in doing business is not only worldly profits but also profits in the hereafter.²⁹

Meanwhile, in the Islamic economic system, profit gains can only be recognized from transactions of a business nature and not from mutual transactions. In business transactions, profit sharing is carried out using a profit-sharing system whose amount is determined as a percentage. With

²⁵ Nur Sa'idatur Rohmah, “Komparasi Konsep Uang Dalam Ekonomi Konvensional Dan Ekonomi Islam,” *Adilla : Jurnal Ekonomi Syariah Studi*, vol. 1, no. 1 (2018), pp. 78-96, <http://www.e-jurnal.unisda.ac.id/index.php/adilla/article/view/734#>.

²⁶ M. Umer Chapra, *Monetary Management in an Islamic Economic*, (Islamic Economic Studies, Vol-4, 1996).

²⁷ M.M. Metwally, *Teori dan Model Ekonomi Islam*, (Bandung: Bangkit Daya Insana, 1995). Lihat dalam R. Moh Qudsi Fauzi and Meri Indri Hapsari, “Islamic Monetary Management: A Critical Overview”, The 2nd International Conference on Islamic Economics, Business, and Philanthropy (ICIEBP) Theme: “Sustainability and Socio Economic Growth” Volume 2019.

²⁸ Haris Maiza Putra and Ending Solehudin, “Fundamentals of Economic and Monetary Policy in Islam,” *Al-Falah: Journal of Islamic Economics*, vol. 7, no. 1 (2022), pp. 89-104, <http://journal.iaincurup.ac.id/index.php/alfalah/article/view/4302/o>.

²⁹ Dwi Novita, Luthfi El-Falahi, and Haris Maiza Putra, “Khiyar in Buying and Selling Online Based on the Fiqh Perspective,” *Al-Istinbath : Jurnal Hukum Islam*, vol. 7, no. 2 (December 1, 2022), p. 371, accessed November 12, 2023, <http://journal.iaincurup.ac.id/index.php/alistinbath/article/view/5232>.

²² Mujaddidi, *Ekonomi Islam Suatu Pengantar*, p. 31.

²³ Johari and Maghfirah, “Re-Interpretation of Islamic Transaction Principles in Economic Activities,” *Madania: Jurnal Kajian Keislaman*, vol. 27, no. 1 (2023), pp. 23-34, accessed November 12, 2023, <https://ejournal.iainbengkulu.ac.id/index.php/madania/article/view/10006>.

²⁴ Mujaddidi, *Ekonomi Islam Suatu Pengantar*, pp. 31-32.

this percentage, profits will be divided according to their respective proportions; even if it turns out to be a loss it will be borne jointly by the contract/agreement.

Goal difference

Conventional economics is a science that studies human behavior in meeting unlimited needs using limited factors of production. The main problems of conventional economics are scarcity and choices. Islamic economics is an economic science that studies all human behavior in meeting the needs of their lives to obtain *Falah* (peace and prosperity of the world and the hereafter). Human behavior here is related to the foundations of the *Sharia* as a reference for behavior and tendencies of human nature. In Islamic economics, these two things interact in their respective portions to form a unique economic mechanism based on divine values.³⁰

The basic difference between conventional economics and Islamic economics lies in the rationality in conventional economics is the rational economics man, namely individual actions are considered rational if they are focused on self-interest which is the only goal for all activities. Conventional economics ignores morals and ethics and is limited to only this world without considering the hereafter. Whereas in Islamic economics the type of human being to be formed is the Islamic man. Islamic man is considered a rational behavior if it is consistent with Islamic principles which aim to create a balanced society.³¹

The Difference in the Concept of Property Ownership³²

The difference between the Islamic economic system and other economic systems is in terms of the concept of property ownership. The view of

property ownership differs between the socialist economic system and the capitalist economic system and also differs from the Islamic economic system. Ownership of property (goods and services) in the Socialist System is limited in terms of quantity (quantity) but is freed in terms of the way (quality) of obtaining owned property. This means that in obtaining it freed in any way that can be done. Meanwhile, according to the view of the Capitalist Economic System, the amount (quantity) of individual property ownership and the method of obtaining it (quality) is not limited, that is, it is permissible in any way as long as it does not interfere with the freedom of others. Meanwhile, according to the Islamic economic system, property ownership in terms of quantity (quantity) is not limited but is limited by certain ways (quality) in obtaining assets (there are halal and haram rules).

Humans are created in various traits and tastes in personal individuals, but humans are fit to live in society. In social life, humans will face various kinds of problems to cover the needs of one another, so that mutual help is needed. Every individual basically experiences dependence on human values and their existence in a group.³³ Dependence is felt when humans are born.³⁴ Dependence on a person because every human being has needs. The needs that must be met by the economy differ from one society to another, from one person to another. The difference is caused by various factors.³⁵

For this reason, Islam emphasizes the distribution of wealth so as to avoid this sin. Where the distribution of the wealth to all parts to maintain its integrity and prevent hoarding of assets. Thus Islam provides a basis for the existence of an economic system that is implemented in a very easy way to provide individual initiative, the granting of property rights, but there must be boundaries that help establish a correct balance between the individual and the public.

³⁰ Irianto and Baiq Kisnawati, "Ekonomi Konvensional Vs Ekonomi Islam," *Jurnal Valid*, vol. 10, no. 3 (2013), pp. 33–39, <https://stieamm.ac.id/wp-content/uploads/2018/05/Irianto-dan-Bq-Kisnawati.pdf>.

³¹ Novita Lidyana, "Perbandingan Ekonomi Konvensional dan Ekonomi Islam," *Iqtishodiyah*, vol. 1, no. 1 (2015), p. 8, <https://ejournal.unzah.ac.id/index.php/iqtishodiyah/article/view/198/163>.

³² Meysam Salimi, "A Comparative Analysis on Capitalism and Islamic Economic System," *SSRN Electronic Journal* (2012), accessed August 11, 2022, <http://www.ssrn.com/abstract=2019019>.

³³ Kaelany HD, *Islam Dan Aspek-Aspek Kemasyarakatan*, (Jakarta: PT Bumi Aksara, 2000), 5.

³⁴ Hendi Suhendi, *Fiqh Muamalah*, (Jakarta: PT Raja Grafindo Persada, 2002), p. 31.

³⁵ Sjafruddin Prawiranegara, *Ekonomi Dan Keuangan Makna Ekonomi Islam*, (Jakarta: PT Gita Karya, 1988), p. 19.

Ownership is an important part in the discussion of Islamic economics. In the concept of Islam, Allah SWT is the absolute owner of everything in the universe.³⁶ In Islam ownership is known as *al-milkiyah*. *Al-milkiyah* etymologically means ownership, which is something that is owned and can be used by someone. Another definition of *al-milk* is ownership of something and the authority of a person to act freely on it.³⁷

The development of Islamic economics does not necessarily grow rapidly, but through various stages from the beginning to the freeze. In order to support the development of the Islamic economy, an accurate Islamic legal political strategy is needed.³⁸ Several Muslim countries are honestly considering reforming their banking and financial systems under Islamic teachings.³⁹ The challenge facing these Muslim countries is how to design and operate a banking and financial system that conforms to Islamic ideology, abolishes usury, and helps realize the socio-economic goals of Islam. Religion has been regulated through the teachings exemplified by the Prophet to *khulafaurrasyidin*, such as fiscal and monetary policy to individual freedom. The growth of the Islamic economic system in various parts of the country is one proof that the Islamic economic system is taken into account and its benefits are recognized by mankind in general.⁴⁰

Conclusion

The correlation is seen in the acknowledgment that both theories address the issue of wealth

distribution, but they differ significantly in their approaches, with Islamic economics placing a stronger emphasis on social justice, differences in profit gains, differences in goals, and differences in the concept of property ownership. Conventional Economics is an economic theory related to “freedom” to move toward a free market and the economic system understands free trade in the era of globalization which aims to eliminate protectionism economic policies. while Islamic Economics is a science that seeks to see, study, research, and finally solve economic problems in an Islamic way.

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