IBNU TAIMIYAH AND HIS CONCEPT OF ECONOMY

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Abstract:

Human life can not be separated from economic problems which involve human relationships with other humans, that relationship must be based on the norms - Islamic religious norms that govern all aspects of life including issues related to mu'amalah. In this context, efforts to develop Islamic economic system, we try to look at a concept that is very brilliant idea at the time, as inspiration and guidance. To the authors try to convey the subject - the subject matter of one of the scholars are: Shaykh al-Islam Ibn Taymiyyah related to economic problems, despite the distance between us and the birth of her very much. He lived at the end of the 7th century and the beginning of the 8th century AH, he has a very deep knowledge about the teachings of Islam. Islam today's economy requires a clear view of what to expect and how things can be done. To achieve this required freedom in business and property rights, which are limited by moral law and supervised by the state fair and able to enforce shari'ah law. All economic activities are allowed, except those expressly prohibited by Shari'ah.

Keywords: Ibnu Taimiyah, Concept of Economy
Preliminary

History which is constructed by Western is hard to state honestly that the Islamic civilization contribute real and big for the growth of Western civilization after the dark ages. And if only in that times, there were no cultural communication, translation process, the process of learning the Europeans to Muslim intellectuals in Cordova (Spain) such as Ibn Rushd (Avveroes), the openness of knowledge of Islamic thought, the Western civilization Modern which were originally built by Mr modern philosopher Rene Descartes (1596-1650) would not exist. West will forever be in the dark ages.

This fact is real evident when we read the economic theory that had been developed by classical Muslim economists such as Imam Al-Ghazali, Ibn Taymiyyah, Ibn Khaldun and others. There is a common thread of thought and influence of philosophical thought, including economics for modern Western thinkers.

Therefore, it is naive if there is an intellectual Westerners and Muslims who consider that Islamic economics does not have the genealogy and historical roots are strong. Because the economy is an inseparable part of social and cultural life are created. If there is no system that assesses and economic thinking at the time of the Prophet, Khulafaurrasyidin and dynastic era of Islam, the same does not recognize the existence of the Islamic civilization. Civilization of a nation in which there are definite economic life, thinking and developing economic policies.

Thus, Islamic economics is not just a copy paste Islamic values into conventional economics. History omitted deliberately by Western intellectuals and Muslim intellectuals are ignorant should be expressed clearly so that the truth is revealed.
That spirit was behind the writing of this paper that portray the history and economic thought of the jurist (fuqoha) and philosophers of the time of the Abbasid Daula II in which the birth of the Islamic economic thinkers such as Ibn Taymiyyah, Ibn al-Qayyim, Syathibi, Ibn Khaldun, Al-Maqrizi and Shah Wali Allah.

**Scope of Historical, Social, Political And Economic Abbasid II (659-903 H/1261-1505 Ad)**

Economic thinking is not born in a vacuum. Muslim economists born of an effort to respond to socio-economic conditions that occurred. His approach, as mentioned at the beginning of the discussion, there is a normative (it should be, in accordance with the teachings of Islam) and there are positive (that is the case, the real condition, historical approach).

In the Islamic economic thought, both approaches should ideally be integrated as a whole. It is also taught by the khulafa'urrasyidin. Normative approach is very intact implemented, in addition to a positive approach, responding to the social, political and economic.

A positive approach gives an answer that historically, the farther an economic policy in the dynastic era of Islam (away from the normative approach), the destruction was soon to arrive. Conversely, the closer economic policy with Islamic values, the triumph and kesejahteraanpun achieved.

So how social, political and economic conditions Abbasid era II? Although for two years, 657 and 658 H, the Islamic world has no caliph, but that does not mean the triumph of Islam ended.

Abbasid II finally born again. Surely it is not in Baghdad anymore, because it has been attacked by the Mongols led by Hulaghu Khan and Tamerlane, but moved to Cairo, Egypt. At that time, Egypt under the rule of the dynasty Mamalik. Thus, in fact under the Abbasid dynasty I, there
are many small dynasty, but all are subject to the Abbasid dynasty I. So, when there was an attack of the Mongols, which is subject dynasty and was under the rule of the Abbasid dynasty Mamalik I lived in Cairo, Egypt.

The victory of Islam over the Tartar army troops in the war Ain Jalut, followed also by the inclusion of the Mongols to Islam makes the political situation more conducive. This condition is the one who encourages dynasty Mamalik to perform various internal reforms. Baka new Islamic dynasty, the birth of the Abbasid II, where the descendants of Bani Abbas, al-Mustansir as Caliph dibaiat on 13th Rajab 659 H in Cairo.

Al-Mustansir II or also known by the name of Al-Mustansir Billah, the title of Abu al-Qasim, with the full name of Ahmad ibn Az-Zahir Biamrillah Abu Nasr Muhammad ibn Al Nasir Lidinillah is Caliph Abbasid first ruling from 1261 until 1262 and was inducted in Cairo, Egypt, after the conquest of Baghdad by the Mongols in 1258. Whose first allegiance as caliph was the Sultan Az-Zahir himself, followed by Judge Tajuddin, and Shaykh al-'Izz bin Abdus Salam and followed by other officials in rotation in accordance with their respective positions. Pembaiatan took place on 13th Rajab 659 AH / June 13 1261. At that time also, a ruler in Halb, Shamsuddin Aqusy also create a caliphate and the title of Al-Hakim Biamrillah.

Al-Mustansir planning to go to Iraq, the sultan had come to deliver his departure to Damascus. Khalifah went with the kings of the East and Sinjar, and the ruler Halb joined and declared themselves to obey the command of Al-Mustansir. Khalifah managed to conquer al-Haditha, then Hita. That's when came the Mongols, in which both armies fought fierce. Most of the Muslims have been killed in the fighting. While the Caliph himself was beheaded. But there are also stating that he survived and escaped.
This incident occurred on 3 Muharram 660 H / 28 November 1261. By doing so he only served as caliph within three months. After that al-Hakim Biamrillah caliphate that had previously been inducted in Halb.

Here is a list of names of the Abbasid Caliph II:

- Al-Mustanshir II 1261
- Al-Hakim 1262-1302
- Al-Mustakfi I 1302-1340
- Al-Wathiq I 1340-1341
- Al-Hakim II 1341-1352
- Al-Mu'tadid I 1352-1362
- Al-Mutawakkil I 1362-1383
- Al-Wathiq II 1383-1386
- Al-Mu'tasim 1386-1389

- Al-Mutawakkil I 1389-1406
- Al-Musta'in 1406-1414
- Al-Mu'tadid II 1414-1441
- Al-Mustakfi II 1441-1451
- Al-Qa'im 1451-1455
- Al-Mu'tanid 1455-1479
- Al-Mutawakkil II 1479-1497
- Al-Mustamsik 1497-1508
- Al-Mutawakkil III 1508-1517

Last Caliph of the Abbasid dynasty II is Muhammad al-Mutawakkil 'Alallah III (m. 1543) ruling in 1509 until 1516, and again in 1517, was the last Abbasid caliph in Cairo that is capitalized. Al-Mutawakkil III dumped in a short time before the end of his reign in 1516 by Al-Mustamsik predecessor, but his position immediately restored in the following year. In 1517, the Ottoman Sultan Selim I defeated the Mamluk Empire and make Egypt part of the country. Al-Mutawakkil was arrested and taken to Istanbul, where he formally agreed to hand over the post of caliph and symbol, the sword and the mantle of the Prophet Mohammed, to the Ottoman Sultan Selim I. Over 264 years (659 H- 923 H), Abbasid II leads the race Islam.

So is the Islamic civilization continues to grow. The rise and fall of the caliphate affect the thinking of scholars and some are not. Which affected are those that are close to power, which do not is that they are not too close. Nevertheless, a growing scientific tradition to give a certain
appreciation of space thought. Scientific tradition of Islam when it is not only growing because of the support of the caliph, but only grow from the spirit of Muslims that seeking knowledge is obligatory and the science is the reward that never end up in the grave though. Thus, the growth of science is not entirely influenced by political factors, independent and growth to adult. In contrast to the early days of Islamic science develop rapidly which is supported by the caliph, with the establishment of Bait al-Hikmah.

Seedlings of Islamic thought grow like flowers in the spring. However, the ups and downs and turn the caliph highly colored economists classical Muslim thought at the time.

The Thought of Ibnu Taimiyyah About Economy

In the Abbasid era II, at least there are some leading economists that Ibn Taymiyyah, Ibn al-Qayyim, Syathibi, Ibn Khaldun, Al-Maqrizi and Shah Wali Allah. This paper will describe how the concept of sequential thought highly influential.

1. Ibnu Taimiyyah (661-728 H/1261-1328 M)

   Full name Taqiyuddin Ahmad bin Abdul Halim. Born in Harran on 10 Rabi Awwal 661 AH / January 27, 1263 M. Life in the time of Caliph al-Hakim I to the Caliph al-Mustakfi.¹

   Ibn Taymiyyah economic thought much taken from various works he wrote like Majmoo 'Fatawa Shaykh al-Islam, as-Siyasah ash-fi Syar'iyyah Ishlah Ra'i wa ar-ar-Ra'iyyah i and al-Hisbah fi al Islam.

   The gist of the concept of social justice economy is economic. This justice must be felt by all people, without exception. Although emphasizing the normative approach in economics, Ibn Taymiyyah

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also is the figure of a brilliant economist and understand the economic conditions that occurred. The concept of perfect markets that he offers shows that a positive approach in understanding the economy. Although, the frame along with the morality and values of Islam.

Ibn Taymiyah imagines a society that is equipped with a good, organized on the basis of free enterprise, and personal property which is limited by moral considerations and supervised by a fair provision that enforce sharia and work for the community.

Some of the concepts of economic thought were developed, such as:

**Mechanism of Market**

a. **Fair Price**

The law of supply and demand seems to have become one of the concepts offered by Ibn Taymiyah. According to him, prices are determined by the forces of demand and supply. Rise and fall of the price is not determined by the unjust actions of some people involved in the transaction. It could be the cause is the declining supply due to inefficient production, a decrease in the amount of imported goods in demand or market pressure as well.

However, he reminded the importance of a fair price. Ibn Taymiyah seems to be the first person to pay special attention to this issue.

In discussing the issue related to the price, he often uses two terms, namely compensation equivalent (‘iwadh al-mitsl), and the equivalent price (tsaman al-mitsl). He states,
Compensation equivalent will be measured and assessed by things equal, and this is the essence of justice (nafs al-'adl)."  

Ibn Taymiyah also distinguishes between two types of price, i.e., the price of unfair and prohibited as well as a fair price and preferred. Ibn Taymiyyah considered equivalent price as a fair price. Therefore, he uses both terms interchangeably.

The concept of Ibn Taymiyyah regarding compensation equivalent ('iadh al-mitsl) is not the same at a fair price (tsaman al-mitsl). The question of fair compensation or equivalent ('iadh al-mitsl) addresses problems arise when the moral and legal obligations.

In defining compensation equivalent ('iadh al-mitsl), Ibn Taymiyyah stated that the definition of equality is the same number of special objects referred to in common usage (urf). It is also linked to the price level (si'r) and customs ('adah). Furthermore, he states that correct evaluation of the fair compensation based on analogy and estimates of goods with other goods equivalent.

Ibn Taymiyah distinguish between legal-ethics with economic aspects of a fair price. He uses the term equivalent compensation when examined in terms of legal ethics and price equal when reviewing aspects of the economy. He states,

"Often there is ambiguity among jurists and they are arguing about the characteristics of a price equal, especially relating invitation kinds (jeans) and quantity (miqdar)."

Because it is a legal and moral concepts, Ibn Taymiyah forward the concept of compensation equivalent based on the rule

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of law that must be met and a very high moral rule. He states that compensate for an item with another equivalent is required justice ('adl required) and if payment is voluntary it is raised, it is much better and the good works that are expected (ihsan mustahab). However, if it reduces the compensation, then it is injustice that is forbidden (sacred zhulm). Similarly, the exchange of defective goods with which Setra is allowed justice ('adl allowed but not required). Increase the damage is actually unlawful (sacred) and reduce it a good deed to be expected (ihsan mustahab).4

About the difference of compensation equivalent to the fair price, he explains that The amount contained in a contract there are two kinds. First, the amount of which is well known in the community. This type has been generally accepted. Secondly, the kind of unusual as a result of an increase or decrease in the willingness (rugbah) or other factors. It is expressed as an equivalent price5

It seems clear to Ibn Taymiyyah that equivalent compensation is relative is a phenomenon that can last long due to the formation of habits, while the equivalent price was varied, determined by the forces of demand and supply as well as influenced by the needs and desires of the community.

The issue price is fair arise when facing the actual price, purchase and exchange of goods. In the meaning that the price is the equivalent of the price of a standard that applies when people

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sell goods dagangannyadan is generally accepted as an equivalent for such goods or goods that are similar in that particular time and place."

Ibn Taymiyyah explains that the equivalent price is the price established by market forces running freely, the meeting between the forces of demand and supply. He described the changes in market prices as if residents sell the goods in normal (al-wajh al-ma’ruf) without using ways that are not fair then that price increases due to the scarcity of goods (ie, a decrease in supply) or due to an increase in the total population (ie, an increase in demand), The rise in prices was the will of Allah, in this case, forcing sellers to sell their goods at a certain price is coercive one (ikrah bi ghairi Haq)⁶.

Therefore, Ibn Taymiyah emphasized the importance of price regulation. The purpose of price regulation is to uphold justice and meet the basic needs of society. This is what is meant by fair pricing. Where there is an emergency situation that requires it taken, such as hunger.

Ibn Taymiyyah distinguish two types of pricing, the pricing is unfair and legally flawed and pricing fair and lawful. Pricing unjust and flawed law is pricing done when rising prices caused by free market competition, the scarcity of supply or the increase in demand.

b. Fair Market

No offer of domestic production and imports. Demand is determined by the tastes and incomes. The nature of the market is

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impersonal. The market price is determined by the intensity and magnitude of demand, scarcity and abundance of goods, the condition of the credit / loan and the discounted cash payment.

For him, forcing people to sell a variety of objects that are not diharuskannya to sell, or prohibiting the selling of goods that can be sold is unfair and unlawful. Thus, long before the modern Western economic thought develops, Ibn Taymiyyah has offered the concept of full freedom to enter and exit the market, the market perfect competition, perfect competition. However, when there are unjust actions of traders to hoard or famine, market is not perfect, war or drought, the government should conduct pricing policy.

In this context also, Ibn Taymiyah had a clear understanding of how, in a free market, prices are determined by the forces of demand and supply. He argues that Rise and fall of prices is not always caused by the injustice of certain people. Sometimes, it is caused by a lack of production or a decrease in imports of goods requested. Therefore, if demand goes up and supply goes down, prices are rising. On the other hand, if the inventory increases and decreases toward demand, prices were down. Shocks or abundance is not caused by the actions of certain people. He could be caused by something that does not contain injustice, or sometimes, it can also be caused by an injustice. This is the omnipotence of God who has created a desire in the human heart.

Ibn Taymiyyah said two sources of supply, yaknin local production and import of goods requested barng (aw mayukhlaq yujlab min dzalik al-mal al-matlub). To illustrate the demand for a particular item, he used the term raghbah fi al-syai which means the desire for something, namely goods. Desire is one of the most
important desire of demand, other factors are income. Changes in supply described as an increase or decrease in the stock of goods, which is caused by two factors, namely the local production and imports.7

Ibn Taymiyyah noted several factors that affect demand and consequently on prices, namely:
1. desire of the people (raghbah) to a variety of different types of goods and always changeable. These changes correspond to a rare or not-requested items. The fewer the number of goods available will be increasingly in demand by the public.
2. The number of enthusiasts (tullab) on an item. If the number of people who desire a more and more goods, the price of goods will increase, and vice versa.
3. Weak or strong need for a large or small items as well as the level and size requirements. If the needs of large and strong, prices will rise. Conversely, if the needs of small and weak, prices will drop.
4. Quality buyers. If the buyer is a wealthy and reliable in repaying the loan, the lower the price given. Conversely, given the higher price if the buyer is a man who was bankrupt, like stalling the payment of debts and debt deny.
5. Type of money used in the transaction. The price will be lower if the payment is made by using the money that is commonly used (naqd ra’ij) than the money that is rarely used.
6. The purpose of the transaction menghendak8i their reciprocal ownership between the two parties. The price of an item that has been available on the market is lower than the price of an

item that does not exist on the market. Similarly, the price will be lower if the payment is made in cash rather than payments made in installments.

7. The size of the costs to be incurred by the manufacturer or seller. The greater the charge required by the manufacturer or seller to acquire and get goods will be higher the given price, and vice versa.

**c. Profit Concepts Fair**

Based on the definition of a fair price, Ibn Taymiyyah defines fair profit as a normal profit that is generally derived from a particular type of trade, without harming others. He opposed an unusual level of profit, exploitative (ghaban fahisy) by utilizing the public indifference to the existing market conditions (mustarsil).  

**d. The concept of Fair Wages**

In medieval times, the concept of fair wages intended as wage levels that must be given to the workers so that they can live a decent in the middle of the community.

About how wages are determined, Ibn Taymiyyah explained:

"Equivalent wages will be determined by the wages that have been known (musamma) if any, which may be a reference for both parties. Separti as in the case of sale or lease, the price is already known (tsaman musamma) will be treated as an equal price."

**e. The Goal for People**

The main purpose of a fair price and other related issues is to uphold justice in exchange transactions and various other relations.

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8 Umarudin, M, *Ibnu Taimiyah: Pemikiran dan Pembaharuan dalam Buku Mihrajan Ibnu Taimiyah*, hlm. 725-726
among community members. The second concept is intended as a guide for the authorities to protect the public from various forms of exploitation. In other words, in essence, this concept will make it easier for people to reconcile moral obligation with financial obligations.

In the view of Ibn Taymiyyah, fair for traders means the merchandise they are not forced to sell at a price that can eliminate their normal profit. The basic purpose of a fair price is to protect the interests of workers and employers as well as protect them from the action gouge.

Money And Monetary Policy

a. Characteristic and Functions of Money

In particular, Ibn Taymiyyah said the two main functions of money, ie, as a measure of value and medium of exchange for a number of different goods. He states that Atsman (price or paid as price, ie money) is intended as a measure of the value of goods (Mi’yar al-Amwal) by which the total value of goods (maqadir al-Amwal) can be known; and the money was never intended for themselves9.

Based on these views, Ibn Taymiyyah opposed all forms of trading money, because it means shifting money from the true purpose function. If money is exchanged denagn other currencies, the exchange must be simultaneous secra dilaiikukan (taqabud) and without delay (hulul).

b. Decrease of Value Currency

Ibn Taymiyyah opposed the debasement of currency and currency printing very much. Authorities should print money (a currency other than gold and silver) in accordance with nilain fair

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(proportional) on transactions of society, without causing injustice against them.

c. Poor Money Will Get rid of the Good Currencies

Ibn Taymiyyah stated that the money was of poor quality would get rid of a good quality currency from circulation. He describes that if the authorities cancel the use of a particular currency and scored another kind of money for the community, it will harm the rich who have the money because the fall in the value of money long been just an item. He means has conducted an injustice because it eliminates High temperatures original value they have. More than that, if the intrinsic value of the currency is different, it will be a source of profit for criminals to collect currency is bad and exchange it with the currency well and then they would take him to other regions and exchange denagn currencies bad in the area to be brought back to the region. Thus, the value of public goods will be destroyed.

Based on explanation above, important principles propounded by Ibn Taymiyyah related to money and monetary policy are:

1. Trade money will trigger inflation
2. The loss of confidence people will be stability in the value of money will prevent people did worse long-term contracts and fixed-income segments of society such as civil servants
3. Domestic trade will decline as concerns the stability of the value of money
4. International trade will decline
5. The precious metal will flow out of the country.

It has same idea with Gresham's law which state that bad money will drive out good money" raised by Thomas Gresham (1857) seems to trace the formulation of Ibn Taymiyyah that same money nominal, but lower gold content, will drive out and replace the money
that the gold content is higher. Therefore, Ibn Taymiyyah prohibits muddájwah which one example: A swap of 1 gram of silver mixed with copper with 1 gram of pure silver. Such transactions are prohibited because it contains usury.

**State Finance And Zakat**

Ibn Taymiyyah, as well as other Islamic thinkers asserts that the government is an institution that is needed. He gives two reasons in determining the state and the country's leadership as it is. The emphasis of the discussion is on the religious character and purpose of a government has the aim is to bring the population of the country carrying out the good and forbid them to do evil. Commanding the good and forbidding the evil, is a very comprehensive goal. Including invites people doing social practices and the bad economy. As revealed Allah: [30]

"You are the best people are born to men, sent to the ma'ruf, and prevent it from being evil, and believe in Allah".

Economic functions of the state and the various cases is the state has the right to intervene against the individual right to obtain greater benefits.10 As the previous statement, the government policy in the regulation of prices carried out in the framework of the welfare society, government also has right to set a price for the balance of the market price. Clearer objectives, as Ibn Taymiyyah said that no monopoly of the in specific pricing, so that small communities can do micro-economic activities smoothly.

Because of that, State must welfare of its people, but specifically really not capable, Duafa (asnaf zakat). Ibn Taymiyyah reminds all Muslims

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10 Euis Amalia, Sejarah Pemikiran Ekonomi Islam, (Jakarta : Pustaka Asatru, 2005), Cet.1, hlm 180
who are able to work hard in order to make ends meet to pay zakat, infaq and alms.

In the context of state revenues, according to Ibn Taymiyya, who really fit sharia is ghanimah, zakat and fai. Fai includes jizyah (tax) imposed on Jews and Christians, include; war ransom treasure, a gift dedicated to the king, the duty on the state-owned commodity enemy, fines and kharaj, the tax on agricultural land.

According to him, if the revenue is not sufficient, it can be made tax policy. Needs associated with the country folk are poor sympathize, finance jihad and defense, strengthening law and justice, pensions and salaries of state employees, infrastructure development and common prosperity.

**Conclusion**

From the above presentation can be concluded that the scholars of classical Islam has not only focused on religion in the sense of the extent of religious rituals, but have paid attention to the economic problems people even indicated economic theories of modern conventional is the adoption of their ideas (Islam), Gresham has adopted the theory of Ibn Taymiyya about currency (currency) of very bad and good quality. According to Ibn Taymiyya, poor quality money would be kicked out of money are of good quality, for example, money (currency copper) would be kicked out of gold and silver currency. The main functions of money simply is as a medium of exchange in the transaction (the medium of exchange for transactions) and as a unit of value (unit of account). All the policies of the money made by the government should be in order for the public welfare (beneficiaries). Printing money is not based on the absorptive capacity of the real sector is prohibited, as it will only increase inflation and decrease social welfare. Hoarding money is prohibited,
because it causes a slowdown in the velocity of money which have an impact on reducing the number of production and the increase in product prices. Smelting coins is prohibited, as it would reduce the supply of money permanently impacting the increase in product prices.

There are many scholars of classical economic thought and it all turned out to influence the thinking of the modern economy. Unfortunately, only a handful are willing to be honest about the effect of classical scholars to western economies, others prefer to be dishonest. Now they cover and protect their scientific interests with the principle that the scientific method honest emotion.

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