ISLAMIZATION OF ECONOMIC SCIENCE METHODOLOGY

Islamisasi Kaedah Ilmu Ekonomi

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Abstract

The hegemony of capitalist and socialist systems in economics is increasingly giving rise to prolonged economic problems and crises, as well as widening the gap between the poor and the rich. Therefore, appropriate solutions are needed to solve problems in conventional economics. Methodology plays an important role in generating concepts and theories. The Islamization of economics methodology must begin with a discussion of epistemology and axiology in economics. The method used in this research is descriptive qualitative. This research aims to reconstruct the methodological concept of economics by offering Islamization as an answer to the weaknesses in the foundations of conventional economic science. This research is library research using an interdisciplinary approach to integrate the discipline of conventional economics with the discipline of Islamic philosophy. This research concludes that building a solid scientific methodology is very necessary, especially the Islamization of economics methodology which is a form of reconstruction and reorientation of economics, namely, recognizing Western economics and then filtering out values that are not in accordance with Islam in it, followed by instilling those values Islam into it.
Keywords: Worldview, Methodology, Islamization.

Abstrak

Kata kunci: Pandangan Dunia, Epistemologi, Metodologi.

INTRODUCTION
The debt crisis that has turned European countries into failed states is increasingly devastating the world economy (Collignon, 2021) such as from the 20th century to the 21st century the financial crisis in Japan and Germany (1920), the monetary crisis in France, and Hungary and Germany (1940). Classical capitalism still believes that its weapons in the form of “laissez-faire” and “invisible hand” can create efficient market conditions and distribute income equally. The facts on the ground are that income inequality, economic inequality, and imbalances between the financial sector and the real sector dominate the market (Jalil, 2011). All these problems are born from one womb, namely capitalism (Ghozali et al., 2023). Capitalism rejects the element of religion in determining its basic assumptions, as a result, the economy develops into a value-free and moral science (Chapra, 2000).

Islam as a framework basic of values has its economic concept. Contemporary Muslim thinkers see economics as a creative reconceptualization, which is built based on a collection of pre-existing thoughts, and always has ties of authority, and an ever-growing Islamic scientific tradition. Therefore, Islamization begins with the study of the discipline that is used as an object, by fundamentally exploring the worldview,
philosophy, and basic values of the discipline, then eliminating points that are not in line with Islam and assimilating those that are in line with it (Mustofa, 2017).

From the above problems, the author tries to describe the way the Islamization of economics is seen from the realm of methodology which has been distorted by capitalist and socialist ideas so that we can not only criticize it but also understand it conceptually in the context of an Islamic worldview, to be a knife to dissect the truth of Islamic economic theories.

**Islamization of Contemporary Science**

In Islam, science is an intermediary to strengthen faith. Faith will only increase and strengthen if it is accompanied by knowledge. Science without religion is blind, religion without science is paralyzed (Nasir, 2022). The incessant discourse on the Islamization of science is not as easy as imagined there are pros and cons in the internal camp of Muslim scientists. The criticisms raised by the contra tend to point to the methodological aspects of realizing Islamization itself because the steps initiated by some scientists are deemed ineffective in realizing the Islamization of science, some even consider it a futile step. While the pro views there are striking differences between Islamic and Western epistemology in producing science, the Islamization of science must be done to counteract the impact of Western thinking (Iswati, 2017).

The term can be referred to Islamization of al-Attas, according to al-Attas it is the liberation of man first from magical, mythological, animistic, national cultural traditions, and then from secular control over his reason and his language (Al-Attas, 1993). Al-Attas argued that the Islamization of science is related to ontological and epistemological changes related to changes in world viewpoints which are the basis for the birth of science and methodology used to conform to Islamic concepts (Al-Attas, 1993). From this definition, it can be understood that the meaning of the Islamization of knowledge is an effort to liberate knowledge and its branches of science from secular interpretation to be in line with the worldview and ideals of Islam.

The process of Islamization of science involves two main steps. First, the process of alienating the main Western elements and concepts from science. Second, absorb Islamic elements and concepts into it (al-Attas, 1991). The aim is to protect Muslims from corrupted knowledge that is misleading and makes mistakes and to develop essential knowledge that will add to their faith in Allah. So, the Islamization of science will give birth to security, justice, goodness, and the power of faith.
Al-Faruqi defines the Islamization of science as an effort to integrate knowledge and insight that must be taken as the beginning of the process of integrating the life of Muslims. The new integration is then incorporated into the integrity of the Islamic heritage by eliminating, reinterpreting, and adapting its components as a worldview of Islam and determining its values, as well as the exact relevance between Islam and philosophy, and methods and the objects (Al-Faruqi, 1984). Simply put, Islamization is an effort to develop theories to restore scientific activities, especially the social sciences, towards the unification of revelation and observation of the empirical world.

The interest of the Islamization of contemporary science is to bridge the dichotomy that exists between the modern secular education system and the traditional Islamic education system. Henceforth, the results of this process must be followed by a process of integrating new knowledge into Islamic intellectual realms that harmonize it with Islamic values. To make this happen, three main steps are needed, namely (Awaru, 2021):

1. Mastery of modern scientific disciplines with a critical assessment of methodologies, scientific findings, and theories that are in line with the Islamic vision.
2. Mastery of the Islamic scientific tradition is accompanied by a critical evaluation of views on religious doctrines, the needs of today's people, and the progress of modern science.
3. Creative synthesis between Islamic heritage and modern knowledge as a creative leap to bridge the scientific gaps that existed during the long vacuum of development of Islamic science.

From the various problems of the Muslims, it seems that al-Faruqi is trying to ensure that the process of Islamization of science that he is developing is expected to be a barometer of the awakening of Muslims from the setbacks faced by most of the Muslims in various fields of life, namely the fields of politics, economy, and religious culture. Furthermore, Al-Faruqi explained the steps for the Islamization of science, namely as follows:

a. Mastery of modern scientific disciplines, categorical knowledge
b. Discipline survey
c. Mastery of Islamic scientific treasures
d. Mastery of Islamic treasures: analysis stage
e. Determination of Islamic relevance that is unique to scientific disciplines
f. Critical assessment of modern scientific disciplines; current level of development
g. Critical assessment of Islamic treasures; current level of development
h. Survey of problems faced by Muslims
i. Survey of problems faced by mankind  
j. Creative analysis and synthesis  
k. Reinforcement of modern scientific disciplines into the framework of Islam in the form of university-level textbooks  
l. These are the final steps of the work of the Islamization of knowledge, namely the spread of knowledge that has been Islamized (Al-Faruqi, 1984).

In essence, contemporary science is a product of confusion and scepticism that puts doubt and speculation on a par with a scientific methodology which makes it a valid epistemological tool in the search for truth (Daud, 1998).

**DISCUSSION**

**Methodology of Economics**

Methodology is the study of reasons and justifications for how propositions, assumptions, and theories are accepted or rejected in the framework of economics (Brandis et al., 1980). Then according to Fox (1999), the methodology is a study of the process of generating a theory that aims to make it scientifically valid. The methodology analyses the process of giving birth to knowledge and theories and also how to prove its truth scientifically. There are two outputs in the methodology study, namely (Fox, 1999):

1. A scientific criterion, principle, standard or rationalization, argumentation, and justification for generating a theory and proving its truth.
2. A series of methods, techniques, and scientific procedures need to be taken in generating theories and proving the correctness of these theories.

The role of the methodology, then, is to provide criteria for the acceptance and rejection of a study or problem, setting standards that will help to distinguish between right and wrong. This standard is relative, dynamic, and unambiguous. In the future, the methodology will not only try to investigate the framework of the idea of an economic problem that must be solved, but more than that, the methodology will also investigate the best way how to solve it.

The term economy comes from the Greek word “oikonomos” which means the management of household affairs, particularly income provision and administration. However, since the acquisition and use of natural resources fundamentally efficiency is necessary. So, in modern language, the term economics refers to the business principles and methods to achieve these goals.

According to Samuelson, economics is the study of the behaviour of people and society in choosing ways to use scarce resources and have alternative uses to produce, and then distribute them. In addition, according to Albert Meyers, economics is the
science that questions the needs and fulfilment of human needs. From the two explanations above, it can be concluded that economics is the study of human behavior in choosing and creating prosperity. This opinion is considered very realistic because it is viewed from an economic aspect where humans as economic beings essentially lead to the achievement of prosperity.

Conventional economists from classical times to the present discuss their methodological problems which include the contents of positive vs normative economics, and inductive vs deductive methods. Three basic assumptions in conventional economics are strongly rejected by Islamic economics (Khan, 1987):

1. The basic assumption of mankind is that it is very important to have and act rationally.
2. The ultimate goal of human life is progress in matter.
3. Every human being tends to maximize material virtue and has sufficient knowledge to make decisions.

Problems in conventional economics require solutions related to the methods to solve them, this method consists of 4 methods, namely:

1. The Inductive Method
   Method of economics in which a decision is made by collecting all the information data contained in it. the reality of life that includes elements of life experienced by individuals, families, local communities, and so on who try to find a solution or solution so that it needs to be studied carefully.
2. The Deductive Method
   Method of economics which works based on laws, provisions, or general principles that have been verified. With this method, economics tries to determine the way problems are following the references, legal principles, and provisions that exist in economics.
3. The Mathematical
   Method used to solve economic problems by solving problems systematically. Whereas with mathematics there is a habit that begins with discussing arguments to ensure that the study can be generally accepted.
4. Statistical Methods
   A method of solving problems by collecting, processing, analysing, interpreting, and presenting data in the form of statistical numbers. From these numbers, it can be seen that the real problem is then sought for a solution.

In conventional economic methodology, the economy is formed based on human reason and the image of what is in their eyes. In terms of methods, conventional economics using deductive methods is preferred. This is because the assumptions put
forward by them are not based on true truth. The basic principle that often they found is that he was selfish, irrational, and had the perfect ability to know which one was best for him (Tamkin, 2002).

In addition, in conventional economics, the values of justice, generosity, simplicity, sacrifice, and a sense of concern for others are not imposed. These values do not apply to them, because they have self-interest, greed, and materialism. Even conventional economic studies only emphasize positive economics because they only study phenomena in the real economy. Even in conventional economics, the goal of getting welfare is measured by how much or how little wealth is obtained from economic activities (Tamkin, 2002).

Conventional economics together with all its methodologies and concepts has lost its morals and ethics in acting. The confusion of conventional economic scientists assumes that the conventional economic methodology which at that time includes the social sciences has in common with the methodology of the natural sciences. The existence of methodology in economics at that time was nothing but an attempt to justify or validate economics. This is where conventional economics has difficulty developing itself as a science that closes itself from ethical and moral values and even religion because it has made its own choices in the form of material values. Their value rests are science built on processes hypothetico-deductive (Khan, 1987). With its reference to science based on religion (divine knowledge), conventional economics does not have a hardcore universal that can be used as a reference or criterion for judging what is right and wrong or which one is accepted or rejected (Irkhami, 2010).

**Islamization of Economics**

As explained above, western/conventional economics has separated ethics and values. *Self-interest* is the main benchmark and the amount of wealth is an indicator of welfare. This is very irrelevant to Islamic values. Economists, both academics and practitioners, are obliged to leave and not practice what has been formulated by conventional economic scientists. Thus, Islamization becomes mandatory so that it can be used as a reference or reference in economic activities.

The Islamization of economics is very much needed by academics and practitioners of Islamic economics and even all Muslims. However, the process must be creative and systematic. Al-Faruqi put forward his ideas about the Islamization of economics:

"The task of integration is not an eclectic mixing of classical Islamic and modern Western knowledge, but rather a systematic reorientation and restructuring of the entire field of human knowledge in accordance with a new set of criteria, and categories, derived from, and based on, the Islamic worldview” (Al-Faruqi, 1984, p. 85).
"It is necessary to build and restructure correct principles for genuine Islamic intellect and to create the conditions conducive to its existence and growth by erecting the lofty edifice of Islamic knowledge" (Al-Faruqi, 1984, p. 15).

The task of integrating Islamic and Western economics is not just choosing which one is better between the two and then combining it. But more than that, the Islamization of economics is a reorientation and restructuring of all fields of knowledge according to the criteria of Islamic values and comes from an Islamic point of view. Reconstructing this becomes important to build an Islamic structure by creating conditions conducive to the existence of a civilization of Islamic knowledge.

In the Islamization of economics, al-Faruqi emphasized that the Islamization of economics only integrates certain aspects of the economy west by tawhid and haq as stated in the Qur'an and Hadith as well as the ijtihad of the fuqaha. Tawhid is the foundation because it has given Islam a civilization. Thus, integrating the ideas of other civilizations is not only allowed but also a promoter to stimulate new thinking (Yousif, 2001).

Muhammad Aslam Haneef, a professor at the International Islamic University Malaysia, put forward the criteria for integration and Islamization of economics, namely (Haneef, 2013):

1. No integration: The approach is purely conventional
2. Minor integration: Islamic values in economics range from 1-20%
3. Moderate integration: Islamic values in economics range between 21-40%
4. Comparative-based integration: Islamic values in science and economics ranges from 41-70%
5. Complete Islamic economics: Islamic values in economics more than 70%

From these criteria, it is expected that the curriculum of Islamic economics is at least at the fourth level and the fifth level (Comparative-based integration and Complete Islamic economics). This integration is expected to focus on two main aspects of knowledge, namely:

1. Substantive knowledge: The conceptualization and theorization of Islamic economics.
2. Technical knowledge: The tools used in constructing Islamic economics.

Some scientists try to present their ideas regarding the Islamization of economics, namely:
1. Ash-Shidiqqi: To abandon what modern economists have formulated and applied is something that may or may not happen at all. What is needed now is to choose a theory that is wiser in modern economics and then it is handled critically (As-Siddiqi, 2001).

2. Naqvi: The way to Islamicize the economy is by integrating relevant and readily available knowledge and turning it into a new framework of thought in which Islamic economics can selectively assimilate elements in a modern economy that is contrary to the axioms of Islamic economics (Naqvi, 1981).

3. Kahf: He proposes takhliya, namely identifying and isolating the propositions used in conventional economics and tahliya or combining positive Islamic economics to revise conventional economic theory (Kahf, 2003).

According to the author's point of view, the Islamization process put forward by some of the scientists above is in line with the Islamization process of science promoted by Al-Attas. This is based on Al-Attas' idea that not all words must be replaced. The word does not have to be changed, but its meaning is changed according to the Qur'an, Sunnah, and ijtihad of the fuqaha. Because leaving all elements of the modern economy is impossible. The world has recognized the contribution of modern economics in terms of economics, so our task is to reconstruct this science and get rid of what is not in accordance with Islamic values.

Analysis of the Islamization Methodology of Economic Science

Methodological studies in the discourse of the Islamization of science have outlined how we interact with conventional economics and Islamic scientific traditions in developing Islamic economics (Furqoni, 2016). This is because Islamic economics is a discipline that is useful for developing concepts, and scientific frameworks and in the end to give birth to Islamic economic theories that explain economic phenomena.

Methodology in economics contains a set of criteria, rules, and procedures used to test the nature, scope, and performance of economics. In terms of the methodology of Islamic economics, al-Faruqi offers the basic principles of Islamic methodology, namely "The unity of Allah SWT, the unity of Creation, the unity of truth and the unity of knowledge the unity of life and the unity of humanity" (Al-Faruqi, 1984, pp. 22–33).
### Differences in Conventional Economic Methodology and Islamic Economic Methodology

<table>
<thead>
<tr>
<th>Principle of Distinction</th>
<th>Conventional Economics</th>
<th>Islamic Economics</th>
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<tbody>
<tr>
<td><strong>1. Source of Knowledge</strong></td>
<td>Interpretation of the rationality of reason.</td>
<td>Qur'an and Hadits</td>
</tr>
<tr>
<td><strong>2. Methods</strong></td>
<td>They favor the deductive method because their assumptions do not require actual truth.</td>
<td>The inductive method is favored because it tests the truth or falsity of an assumption and the results of economics are derived from human rational action and empirical evidence. Islamic economics combines both methods to examine the assumptions of assumptions about whether they are true or false.</td>
</tr>
<tr>
<td><strong>3. Values and Ethics Norms</strong></td>
<td>Economic sciences are positive only, as they only study phenomena in the actual economy.</td>
<td>It is based on values and ethics such as justice, generosity, and simplicity which are derived from Shariah and not man-made.</td>
</tr>
<tr>
<td><strong>4. Disciplines</strong></td>
<td>of economics is only positive, because they only study the phenomena of phenomena in the real economy.</td>
<td>Islamic economics is both normative and positive. It is said to be normative because Islamic economics is always looking for ways to change the conventional economic system practiced by Muslim countries to the Islamic economic system. It is said to be positive because Islamic economics examines the issues that apply to the economy.</td>
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5. Purpose of Economic Activity

| Welfare is measured by the wealth generated from economic activities. | To achieve *maslahah* in the world and hereafter in various aspects (spirit and body). |

The central idea that distinguishes Islamic economics from conventional economics is ethical values based on religion in a *framework of* analysis referred to (Irkhami, 2010, p. 15). This limitation suggests that in broad outline, Islamic economics is differentiated by the placement of an *worldview* Islamic. The *worldview* of Islam is a *starting point* as well as a differentiator between Islamic and conventional economies by placing religion with human and natural issues (Irkhami, 2010, p. 10). Henceforth, the epistemology and the *worldview* will Islamic become steps in determining the methodology of Islamic economics.

In determining the methodology of science, an epistemology and needed *worldview* is that underlies the science. Epistemology is a philosophical study that determines the character of science. Epistemology in Islam is closely related to the metaphysical structure that has been formulated in revelation, hadith, reason, empirical experience, and intuition. This shows that in the Islamic view, knowledge is a product of understanding (Al-Faruqi, 1984, p. 335). It is different from Western epistemology, which has influenced the form of contemporary science by excluding religion from the realm of science, including economics. Economics is a rational science and its facts are empirical.

Epistemology in Islamic economics is incorporated into a *double movement*. *First*, deductively by examining the epistemology of *iqtishad* in the Al-Qur'an and Hadith. This method begins withdrawing some of the existing arguments from the Qur'an and Hadith to then enter the empirical area in the form of cases in the field. *Second*, inductively by looking at the existing reality then refers to the Qur'an and Hadiths. This method begins by presenting several empirical facts in the field to be drawn into the arguments contained in the Al-Qur'an and Hadits (Fauzia, 2014).

Monzer Kahf argues that Islamic economics employs two kinds of methods; *first*, the deduction method developed by Islamic jurists. They apply a modern Islamic economy by presenting the principles of the Islamic system and its legal framework in consultation with the Qur'an and Sunnah. *Second*, is the retrospective method of thinking. This method is widely used by contemporary thinkers who feel the pressure of poverty and underdevelopment in the Islamic world and try to find various solutions to the economic problems of Muslims by referring back to the Koran and Sunnah to seek support for the solutions studied and test it by paying attention to the instructions of Allah SWT (Kahf, 1995).
A science cannot be separated from axiology (values). So the axiology in Islamic economics is summarized in the output and use of Islamic economics which is to always prosper mankind, save mankind in the world and the hereafter, and fight all forms of exploitation (mafsadah) that harm mankind and constitute an anti-thesis of the misfortune itself (Fauzia, 2014, p. 16).

The Islamic economic methodology, according to Muhhamad Anaz Zarqa, reveals that Islamic economics consists of three methodological frameworks. First, presumptions and ideas, or so-called basic ideas and principles of Islamic economics. This idea comes from the Qur'an, Hadith, and Fiqh Maqashid. This idea must later be derived from a scientific approach to building the framework of the Islamic economy itself. Second, the nature of value judgment or value approach in Islam to the economic conditions that occur. This approach is related to the concept of utility in Islam. Third, positive passages of economic science explain economic reality and how the concept of Islam can be derived in real and real conditions (Zarqa, 2003).

According to Prof. Zubair Hassan (1998), two methodological approaches have been used in developing Islamic economics. The first is the all-or-nothing approach, which is an approach that adheres to the principle of "total sharia or no sharia at all". In this approach, all conventional economic theories and concepts are negated and torn down, then sharia economics is built with its definition and conceptualization. However, the weakness of this approach is often not applicable and difficult to realize. The second approach is a step-by-step approach, namely a gradual approach, step by step. In this approach, there is a process of filtering conventional economics by eliminating components that are contrary to Islamic teachings. However, even though it is applicable, the weakness of this approach is the emergence of criticism that the Islamic economy only “follows” the conventional economy, so that its scientific originality is often questioned.

**FINDINGS**

From these various observations, the results can be drawn that the Islamic economic methodology has at least three types, namely:

1. Ushul Fiqh methodology
   Ushul Fiqh is used to give birth to legal laws from the Qur'an and Sunnah to explain the concept of Islamic economics. From this approach, it will be seen that Islamic economics is the same as fiqh mu'ammalah. Islamic economic methodology in this perspective is defined as the application of sharia norms to conventional economic concepts and theories to assess their suitability with Islam and the position of sharia on various macro and micro economic problems.

2. Methodology of Pluralism in Islamic Economics
This methodology departs from the spirit of methodological openness in the development of Islamic economics by accepting various methodologies developed in Islamic and Western scientific traditions as long as they do not conflict with Islamic epistemological principles and can help produce good theories and contribute to the accumulation of knowledge.

3. Methodology of Islamization of Economics

This approach is through the interaction and integration of conventional economics with Islamic principles in the economic aspect. In this approach, Islamic economics does not start from scratch. Even conventional economics can be used if it is considered good and under Islamic principles and if it is not suitable it can be modified.

So from the author's point of view, it is concluded that the Islamization of the methodology of economics begins with a discussion of epistemology and axiology in economics. This is something that must be discussed first before starting the interaction and integration in Islamizing the methodology of economics. Until there is no longer any disturbance this Islamization effort is only repeating what has been in the conventional with a little Islamic affix.

This is also considered important because it is in line with al-Attas' idea that the goal of Islamization should pay attention to aspects of the philosophical foundations and epistemological frameworks that underlie conventional economics by providing criticism and offering Islamic answers to the weaknesses of the foundations of conventional philosophy and scientific buildings. Al-Faruqi also suggested that this Islamization includes all matters from gathering, developing refinements, harmonizing restructuring and ultimately crystallizing the secular element.

For this reason, before integrating, we must have an Islamic worldview, the values, and principles that underlie Islamic economics, which include the concept of monotheism and the concept of truth in Islam in sharia, key concepts and key terminologies that give birth to Islamic economic theory to become a body of knowledge systematic.

CONCLUSION

Methodology plays an important role in generating concepts and theories. Unfortunately, what has penetrated society is the methodology of conventional economics which is free from values that are not relevant to the vision and values of Islam. To save it, a solid methodology is needed to be able to restore the value and character of Islam in the Islamization program of economics. The Islamization of the methodology of economics begins with a discussion of epistemology and axiology in economics. This is something that must be explored first before starting the
interaction and integration in Islamic economic methodology. Until there is no longer any gossip that this Islamization effort is only repeating what has been in the conventional with a little Islamic affix. So, this process when viewed from the theory of the Islamization of knowledge of al-Attas and al-Faruqi is relevant to what is proposed by each of the two.

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