



***Tawhid* and Shariah Economics: Positioning *Tauhid* as Philosophical Foundation of Shariah Economics**

**Nurul Hilmiyah^{a*},
Bayu Taufiq Possumah^b,
Muhammad Hakimi Mohd. Shafai^c**

^aFaculty of Economy, Universitas Pancasila;

^bUniversiti Malaysia Terengganu

^cInstitut Islam Hadhari, Universiti Kebangsaan Malaysia

*Email: nurulhilmiyah@gmail.com

ARTICLE INFO	ABSTRACT
<i>Article History:</i> Received 02/06/2019 Revised 13/12/2019 Accepted 13/12/2019	Purposes: In the social sciences, economics is one of the most influential and prestigious disciplines. Mainstream economics typically view economic agent as amoral, entirely self-interested, unrealistic and has damaging effects. In the last few decades, while remaining a powerful discipline, economics has narrowed in scope. Consequently, to reinvigorate economics, especially in times of crisis or major institutional change, mainstream economics has almost lost a key reserve of alternative thinking. This study intends to investigate the contemporary mainstream economic system, does Islamic Economics taking advantage of the shortfall of the system outlined above based on Tawhidal approach?
<i>Keywords:</i> Mainstream economics, Islamic Economics, <i>Tawhid</i>	Design/Methodology/Approach: This paper using the descriptive qualitative method
<i>Paper Tiper :</i> Research Paper	Findings: Modern economics is normative bias; does not explain actual economics but describes a "utopia" in which Pareto optimality applies. The excessive unrealistic assumption is the impact of the inconsistency of modern economic theory. The important aspects of human behavior ignored by this assumption as the theory of economic man. In addition, the general equilibrium theory of neoclassical is not compatible with an economy that develops over time. It relies too much on complex mathematical models without sufficient attention to whether this really illustrates the real economy and ignores the complexity of nature and human creativity. At the contrary, Islam cause to be present the Tawhidic based economics approaches can be focused towards seeing wholes of economics, rather than parts; seeing economics activities as worship, rather than competition; cultivating the solidarity (charity), rather than individualism and creating the justice, rather than injustice. Thus this paper designed to provide the concept of Islamic economic system with Tawhid as the basis, to fit the philosophy of economic science and reality of human life. The paper shows the position of Tawhid in the system and theory of economy. It becomes a must to do to create prosperity and benefit for all mankind, with the aim to realign and comparing to the mainstream economic system and their theory.
	Originality/Value: This paper proposes the position of Tawhidic based economics approach in setting the economic system. The position of this foundation offers basic guidelines for the justice and fairly system, which is

benefited to all human beings regardless of religions, races, and castes, and furthermore to the sustainable economic development and welfare for the ummah.

INTRODUCTION

Defining Economic Problem: A Survey Literature

What is the problem of economics today? In large part, as Blaug (1998) implies, intellectual basis intuitively, methodology and history which required by great prowess economists have been replaced by the formal economy. Such qualities were emphasized and symbolized by Alfred Marshall and John Maynard Keynes. The economists today, no longer educated systematically in their own history discipline but also in economic history and their philosophy of science. These have regrettably become fringe preoccupations for economists, and publications in these areas are often discounted in the institutionalized scramble for recognition and promotion.

Now a day, the contemporary economic theories are currently considered important examples of scientific procedure, which is called by mainstream economics and also strong opposition from other important theories. The disregard basic aspects of economic reality and the implications that often render misleading the works and teaching of economists, sourced by both dominant economic teaching and its opponents.

The excessive unrealistic assumption is the impact of the inconsistency of modern economic theory. The important aspects of human behavior ignored by this assumption. In this respect, experimental economics has had a major impact (Kahneman, 1994; and Roth, 1995). It has even given credence within mainstream economics to the idea of ‘social preferences’, involving non-selfish, ‘other-regarding’ and cooperative motives (Fehr and Fischbacher, 2002). In the paper of Baiman’s (2012) views, the microeconomics theory that applied by neoclassical is more destructive of human well-being than the amoral high theory which that theory based on a theoretical framework that generates real-world policy (not just theory) that is concretely “immoral”, he emphasized that directly supports policies that reduce the “well being” of real human beings. In addition, the general equilibrium theory of neoclassical is not compatible with an economy that develops over time. It relies too much on complex mathematical models without sufficient attention to whether this really illustrates the real economy and ignores the complexity of nature and human creativity.

Additionally, according to Palley (2014), the global imbalances explained by the new economic theories of the structural Keynesian as an inevitable impact consequence of the model of neoliberal towards globalization. The explanation of structural Keynesian theory on two sides, the dimension of

supply and demand side tend towards the problem of global economic imbalance. The supply-side as the reflection of the new production paradigm that underlies neoliberal globalization. And the demand-side as the reflection of the hegemonic currencies of Keynesian theory the of (Palley, 2006, 2012c). The explanation of how policy accommodated the urgent of these new global supply and demand arrangements by the involving of the political economy (Palley, 2014).

In the famous book of Marshall (1890) "Principles of Economics", that Marshall defines economics as: *"Political Economy or Economics is a study of mankind in the ordinary business of life; it examines that part of individual and social action which is most closely connected with the attainment and with the use of the material requisites of wellbeing"*. In this context, this economic principle is the study of wealth and economic activities on the one side, and the main side is study of man behavior on the other side. Accordingly, Aydin (2013) stated that this meaning refer to the main topic of economics problem at any economics paradigm. This main topic is the allocation of scarce resources. The scarcity problem involved the area of production, goods and services distribution in order to meet the needs, wants and human well-being. Why the scarcity problem could be the main topic?. Is because the fulfillment of human beings need and want were become the final of economic activities. But the big challenge of this issue such Aydin (2013) emphasized that from the scarcity of resources contrast with the unlimited wants of human beings. The positive economics on the one side get along with those questions without involving any norms into consideration; and on the other, the normative economics side tries to find out the universally desired answers. In other words, the goals of positive economics is the production and distribution efficiency while the normative economics consider efficiency below of the value judgments (Aydin, 2013).

Generally, according to Aydin (2013) the two economic worldviews: first, materialist and secular, second, spiritual and religious. The materialist and secular worldview reject the spiritual realm of human being and the universe. Additionally, Stuart (1989) strengthen this argument, *"There is nothing beyond the material world. Life is strictly limited to this world. There is no room for belief in the hereafter. For that matter, the primary concern of materialist people are the acquisition of material goods and the enjoyment of physical satisfaction, and as a consequent rejection of or indifference to the spiritual, aesthetic, or ethical things"*. In this context, they ignored the religious value into economics. Both capitalist and socialist systems are two twin flow "similar but different", which measures the final economic result as the excitement of human. The differences just about the nature of the ownership and the way of producing goods and services for "human pleasure". The materialist and hedonist sense as the capture of well-being. The nature of the free market by the capitalist in order to the fulfillment of self-interests, socialist gives the goals to social interests on their views. In reality, this social interests hiding behind the concept of excessive government intervention. In the sum of Aydin (2013),

both capitalism and socialism goals for “worldly paradise” through the material well-being of people. They only concern on one point, *“the joy of the world”*. Therein lay on the lack of harmony of their views, thus impacting the disharmony of life that causes inequality and economic problems of the world.

This economics paradigm also led to numbers of economic problems and give a global impact to the economic world. Such Chapra (1995) stated that the financial deficit (proposed by Keynes’s theory towards inflation rate, recessions or depressions) such in the 1980s the inflation rate substantially declined, a number of economists argue that this inflation may become a serious problem. It created economic instability in the interest-based banking system towards the international monetary system. The unnecessary spending in both the public and the private sectors, lead to the savings declining. The highly correlated between savings and investments impact on investment declining. It also tended to have the implications for investment automatically, growth, unemployment, trade of commodity, markets of foreign exchange and also the stability of the stock. Chapra (1995) also added that the system created a number of ecological hazards by the concept of unlimited want and satisfaction by non-renewable resources, which have damage life on this universe. In this context, Chapra (1995) demonstrated that *“addressing the global environmental crisis requires nothing less than a radical change in the conduct of world policy and the world economy”*.¹ He also concluded that *“the Keynesian strategy has generated dilemmas without solving the economic problems, the goals of need fulfillment, eliminating poverty and reducing glaring inequalities of income and wealth still remain unfulfilled”*.

Finally, the worst impact is ‘Great Depression’ in 1930 was *“the long-standing faith in Say’s Law”* (in Chapra (1995) term call) responsible, as a peak of the mainstream economic failure. The financial crisis of 2007-2010 should explain this crisis occurred. It is not simply occurred by itself or a life phenomena such as natural disasters. Additionally, Chapra (1995) excoriated that the economy cannot correct the condition itself automatically. Chapra also noted that Keynes was surprised at British and most other governments of their *laissez-faire* attitudes in the face of this crisis. While in his early economic classical had found that the organization of economic at 19th century to be *“natural, reasonable, eternal and simplicity itself”* (as portrayed by the general equilibrium theory of Keynes), thus, Chapra (1995) emphasized that the Keynes’s writing in the *Economic Consequences of the Peace* that on the contrary, *“it was “unusual, unstable, complicated, unreliable, and temporary”*.

Therefore, in the context of the global economy, the birth of the theory of production, consumers, labor, interest, profits, and market concept theory of the modern economic system creates competition, free markets, and individualism are the root of the underlying system. Competition is not required

¹ Tolba Mostafa, “Executive Director of the United Nations Environment Programme, Reported to “The Flight to Save the Planet,” *Time*, 1989, p. 51.

to create an unhealthy environment competition, it is necessary to improve the quality and professionalism, not to get rid of common interests and goals of social concern. All these nature born from the individualist culture that wants the pleasure and well-being of those they can harm. These culture's attitude, norms, and ethics which has built-in public relations, it can destroy civil society. It will be better when the character moves towards the positive individualism to create a more balanced economy through norms and ethics.

According to Aydin (2011) in Smith's (1776) concept that all economic problems are sufficient enough to solve with the most self-interested of human nature, supply and demand. In this mention, Aydin (2011) emphasized that the recent financial crises, with the "invisible hand" without moral guidance shift into a "stealing hand". In Aydin's view, the greatest theft in the history of mankind it was the financial crisis in 2008. He also mentioned strictly, that was not a real theft, because it is involved the invisibility of hand. In the recent paper of Aydin (2011) on the 2008 financial crisis and capitalism, he argues that the 2008 crisis not only about the crisis of economy but also essentially about a moral crisis of capitalism with the Enlightenment as its root. Then, Aydin (2011) suggested that during the crisis, the "invisible hand" concept of the free market shifted to "stealing hand" driven by the irrational and irresponsible politicians behaviors, creditors, and consumers via market games.

Based on the mainstream economics problems, the world is crying out for the answers and solution of these. As Baiman (2012) stated that "*A 'mainstream' economics that refuses to acknowledge the value basis of its own theoretical constructions and policy recommendations, and worse, professes ignorance about its own apologetic function as core legitimator of a clearly immoral economic system and social order, will remain at best impotent, and at worse a major obstacle, to formulating and implementing the fundamental policy changes necessary for economic and social revitalization*". Hence the imperative to expose the immoral basis of mainstream economics. For them, the moral basis is not a necessity in economic activity, because the doctrine upholds the individualism values and competition. "Whoever is the most powerful and work hard then he is entitled to its former glory".

RESULT AND DISCUSSION

Mainstream Economics System: Framework and Principle

Recently, many authors argue the paradigm that involves the core concepts of rationality and equilibrium by neoclassical no longer dominant within mainstream economics, and has been replaced by different approaches (Colander, 2005a,b), Colander et al. (2004a, b), Davis (2006). As David Colander (2005b, 930-931) argues, *mainstream economics has abandoned its 'holy trinity' assumption of rationality, greed, and equilibrium*'.

According to Baiman (2012) stated that neoclassical economics is a thinly-veiled system of apologetics for a blatantly *immoral* social system, and thus clearly an *ideology* rather than a school of thought that represents a reasonable and meaningful *value-based* “economic science”.² Though many mainstream economists are loath to admit this, it’s been long known that many of the most important issues of economic policy cannot be meaningfully addressed through value-neutral “positivist” economic “science” but rather are fundamentally questions of values and morality.³

Moreover, Baiman (2012) mentioned that Classical political economists were aware and tried to set economic policy on moral behavior rather than religious moral precepts as a basis of their policy, like David Hume (1742) and Jeremy Bentham (1818) as famous atheist moral philosophers.⁴ According to Baiman (2012) argue that Adam Smith (although not an atheist) was building on the thinking of Hume and the “Scottish Enlightenment” with the “Theory of Moral Sentiments” which promote the competition through an “invisible hand” would be channeled by self-interested behavior toward the (unintended) service of the public good and promote the “welfare of nations” (Smith, 1776).⁵ Mostly, the “Neoclassical” (mainstream) economics theory viewed as a footnote of Smith’s idea, through mathematical formalisms attempts to made a “microeconomic foundations” model based on the self-interested (profit and utility maximizing) behavior of “homo-economicus” or “methodological individualism and rational action, that supposedly underlies all aspect economic guidelines (Taylor, 2004).

Baiman (2012) also mentioned Neoclassical (mainstream) Economics (as noted based on the ideas of Smith),⁶ Keynesian Economics (based on the work of John Maynard Keynes, based on a kind of “Neoclassical synthesis” which tries to put Keynes into a framework of Neoclassical (rational individualist) which provide a proper “micro-foundations” for the “institutional rigidities” would make a basically “free market” economy to Keynesian policy prescriptions), and Marxist Economics by Karl Marx who emphasized capitalist class oppression and exploitation (which is to construct, social arrangements

² Ron Baiman, *Neoclassical (Mainstream) Economics Is Immoral* (Chicago: Chicago Political Economy Group (CPEG), 2012).

³ Milton Friedman, *Essays in Positive Economics* (Chicago: University of Chicago Press, 1953), p. 50

⁴ Jeremy Bentham, *Church of Englandism and Its Catechism Examined* (UK: Published by Jeremy Bentham, 1818), p. 100

⁵ Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (New York: Modern Library, 1776), 201.

⁶ Baiman, *Neoclassical (Mainstream) Economics Is Immoral*.

that truly democratic, political and economic).⁷ In turn these three “schools of thought” are said to be based on different and distinct sets of values emphasizing respectively, efficiency, employment, and fairness (Bowles, et. al., 2005).

Neoclassical (mainstream) economics according to Colander and Rosser (2003) is an “*analysis that focuses on the optimizing behavior of fully rational and well-informed individuals in a static context and the equilibria that result from that optimization*”. From this previous mentioned, the pointed out is optimizing individual rational behavior, means for the satisfaction of human being towards individualism. The impact is injustice and economic imbalance which ignored the value of socialism. Additionally, this mainstream as viewed by Léon Walras and Alfred Marshall its early and great developers, with John Hicks's with their theory of ‘*Value and Capital*’ (1939) and Paul Samuelson's *Foundations of Economic Analysis* (1947) as its culmination. Colander (2003) emphasized that “*the neoclassical orthodoxy tests the results of that model by using conventional econometric techniques that are based upon a foundation of classical statistics. Perhaps the most important characteristic of the neoclassical orthodoxy is that axiomatic deduction is the preferred methodological approach*”.

Other schools of economic thought are heterodox economics. According to Colander and Rosser (2003) the domination of this school, their own networks, organizations, journals, and academic institutions. But orthodoxy often rejects the fundamental intellectual content of a heterodox, which orthodoxy could be major elements. In the economic field, there is no unifying element that can distinguish and characterize heterodox economics. They have different opinion of each other. Hence, it should be said that the ideas that are now on the edge of economics emphasized by different heterodox schools, it also play an important role in developing new critiques of the orthodox. Among the most established of the heterodox schools with reasonably full systems of institutional support are Marxists, Post Keynesians, feminists, Old Institutionalists, and Austrians.⁸

The sociological and intellectual aspects involved by heterodoxy. Not only many mainstream economists refuse important aspects of the orthodoxy, but also heterodox economists refuse the framework of mainstream economics. This is the main cause of the nature of the modeling process used, or the assumptions emphasized, as Colander and Rosser (2003) stated. This causes a failure to communicate between heterodox and mainstream economists, even when they may share similar views about the limitations of the “orthodox” approach.

⁷For mathematical comparison model of Neoclassical, Neo-Keynesian, and Neo-Marxist, schools of thought see Marglin (1984).

⁸ See David Colander and Barkley Rosser, 2003 “The Changing Face of Mainstream Economics”

In addition, Baiman (2012) argue that ‘the thinking for themselves’ and selecting theory (and the emphasis on the policy), nominally encouraged by heterodox departments to their students. The main point out are the most suits and appropriate theory regarding their own comprehension based on their values and political problems issues of the economy. Implicitly, in most contexts, heterodox department doctrine is critical strongly of Neoclassical theory and espouse the theory of Post Keynesian and Marxist as being more relevant and consistent with economic reality in advanced capitalism.

Commonly, according to Chapra (1995) capitalism have the following five construct: (a) the expansion of wealth and the maximization of production and individual satisfaction to be the main goal in the well-being of human; (b) unhindered individual freedom to chase self-interest, to own and manage the private property in the context of individual initiative; (c) the individual initiative assumption as the decision-making decentralization to operate competitive markets freely, in the allocation resources efficiency; (d) no government intervention as significant role in collecting of value judgments inefficiency or distributive equity; and (e) it claims that individuals serving of self-interest will also automatically tend to serve the collective social interest.

Another value concept of economic western contained by the birth of a new individualism which reflected in the nature of continuous consumed by the community. Until the invention of the widening gap between the rich and the poor (Giddens, 1999). MacFarlane (1978) found that *the culture of individualism is a philosophy that has a view of moral, political, or social that stresses human independence and the importance of individual and personal liberty to do achievement and personal preference*. They oppose the intervention of the community, the nation, and each board. Thus, individual is against all opinion be of a group is more important than individual goals (Machan, 1990). This philosophy also dislikes the moral standard that occurs because of the regulations hinder the freedom of a person (Gorodnichenko and Roland, 2012). Therefore the global capitalism has created a community out of the root of the culture as a faithful follower of moral hedonists, without realizing that in fact, he was in the trap of global capitalism. Means, individualism is a tool of the modern economic system to create self-fulfillment, freedom, emphasizing individual goals, and gain control of various aspects of life. The impact is the economic crisis, poverty, and warfare that brought by the capitalist.

Based on the mainstream economics explanation above, there are several principles we can highlight as follow: self-interest, profit, and utility maximization, free market, and individualism. Overall, mainstream economics is economic systems with self-determined systems as the basis, in order to create an equilibrium state on the “proper” planning and distributing mechanisms principles. Mainstream economic models also used to build sophisticated financial instruments and economic policies that neglect the real economy; for

many scholars, these are illegal and immoral without any problem solving the economic problems itself.

Economic Assumptions from Qur'an and Sunnah

According to Aydin (2013) stated that Choudhury claims that the foundation epistemological paradigm between Islamic economics and western secular paradigm, is significantly different. Choudhury suggests that the paradigm of Islamic economics should be required different from its "methods" and "methodology" in terms of blending and analyzing real data. Moreover, he asserts that *"the prevailing Islamic socio-scientists" are the distance from "any substantive reference to the Qur'anic worldview, it's epistemology of Oneness of the Divine laws (Tawhid), the causal understanding of unification of knowledge in world-systems by the epistemological methodology embedded in ontology and ontic learning domains."* (Choudhury 2007b, p.76). The Islamic economics current efforts strongly criticized by Choudhury (2007b) regard the lacking of epistemological foundation and required data. He argues that a number of Islamic economics literature have become trapped in the secular western epistemology of the neoclassical framework (Aydin, 2013).

Therefore, in this section of the paper, it proposes the economic assumptions which derive from Qur'an and Sunnah as compile from several Muslim scholars, like Qardhawi (1997), Hasanuz Zaman (1998), P. Ibrahim (2010), Ah as the epistemological foundation of the economic system as follow: First, **unity**: *"It is He Who created for you all that there is on the Earth; He then turned to the sky and ordered it into seven firmaments . And of all thing He has (perfect) knowledge..."*⁹ Second, **vicegerent (khalifah)**: *And (mention, O Muhammad), when your Lord said to the angels, "Indeed, I will make upon the earth a successive authority." They said, "Will You place upon it one who causes corruption therein and sheds blood, while we declare Your praise and sanctify You?" Allah said, "Indeed, I know that which you do not know."*¹⁰ *"(We said), "O David, indeed We have made you a successor upon the earth, so judge between the people in truth and do not follow [your own] desire, as it will lead you astray from the way of Allah ." Indeed, those who go astray from the way of Allah will have a severe punishment for having forgotten the Day of Account."*¹¹ Third, **justice**: *"Indeed, Allah commands you to render trusts to whom they are due and when you judge between people to judge with justice. Excellent is that which Allah instructs you. Indeed, Allah is ever Hearing and Seeing"*¹² *"O you who have believed, be persistently standing firm in justice, witnesses for Allah , even if it be against yourselves or parents and relatives. Whether one is rich or poor, Allah is more worthy of both. So follow not the lusts (of your hearts), lest ye swerve and if ye distort (justice) or decline to do justice.verily Allah is well-acquainted with all*

⁹ Qs. 2:29

¹⁰Qs, 2:30

¹¹Qs, 38:26

¹²Qs, 4:58

that ye do”.¹³ “We sent aforetime Our messengers with Clear Signs and sent down with them the book and the Balance (of Right and Wrong), that men may stand forth in justice”.¹⁴

Fourth, **brotherhood**: “The Believers are but a single Brotherhood: So make peace and reconciliation between your two (contending) brothers; and fear Allah, that ye may receive Mercy”.¹⁵ “Verily, this brotherhood of yours is a single brotherhood, and I am your Lord and Cherisher: therefore serve Me (and no other).”¹⁶ Fifth, **efficient utilization of resourc** (Joseph) said: “For seven years shall ye diligently sow as is your wont: And the harvests that ye reap, ye shall leave them in the ear-except a little, of which ye shall eat.”¹⁷ “Make not thy hand tied (like a niggard’s) to thy neck, nor stretch it forth to its utmost reach, so that thou become blameworthy and destitute.”¹⁸ Sixth, **ethics and norms**: “If ye disclose (acts of) charity, even so it is well, but if ye conceal them, and make them reach those (really) in need, that is best for you: It will remove from you some of your (stains of) evil. And Allah is well-acquainted with what ye do.”¹⁹ “If the debtor is in a difficulty, grant him time till it is easy for him to repay. But if ye remit it by way of charity, that is best for you if ye only knew.”²⁰ “To those weak of understanding make not over your property, which Allah hath made a means of support for you, but feed and clothe them therewith, and speak to them words of kindness and justice.”²¹

Reposition Method of Tawhid in Theory of Economic

At the contrary, Islam cause to be present the *Tawhidic* based economics approaches. *Tawhidic* is the Islamic civilization fundamental which covers the way of Muslim life, which is a process, means and end together (Murray, 2007). It means of one creator and His divine guidance of humanity ²². Both the mission and morality of humankind in social and spiritual implied by *Tawhid*. It is becoming a cornerstone of economic activities for consumers, traders, manufacturers and moreover the government, which could be a solution to all the economic problems that occurred today. The goal is to uphold economic justice contained in the system for achieving the welfare-oriented.

In order to find and investigate the differences between Islamic economics and economic system theory, the main thing is to define and know that the Qur’an, and *Sunnah*, and in addition views of Muslim scholars as a guidance base of Islamic worldview. According to Chapra (1995) and Aydin

¹³QS. 4:135

¹⁴QS. 57:25

¹⁵QS. 49:10

¹⁶QS. 21:92

¹⁷ QS. 12:47

¹⁸ QS. 17:29

¹⁹ QS. 2:271

²⁰ QS. 2:280

²¹ QS. 4:5

²² QS. 2:170; 43:22-24; 7:28-29

(2013), Islam is not a marginal religion, which deals with the sense of spiritual life, it also deals with the sense of material life. Islam as religion provides the basic guidelines for both worldly affairs and hereafter affairs. Islam should not be leaning only on one side, it must be able to create a balance of harmony between them in order to achieve wellbeing. As the Arab proverb states "*Khairulumuriawsatuba*". God is not like a man more focused on something just on one point (affairs) alone, it should be the same weight as the balance towards to create the harmony of life. Hence, Aydin (2013) noted that important to understand and deeply explore the gap and overlapping objective among the major religions of worldviews. Aydin (2013) also argue "*Islam is not a completely new religion. It is considered to be the last chain of Abrahamic religions. Therefore, it is not surprising to see that Christianity and Judaism have many values in common with Islam*". However, the economic movement paradigm of worldview originated from these values paradigm and embraced secular, value-neutral, materialist worldview (Aydin, 2005). But in this section, the paper will begin to the exploring of the Islamic foundation principle at first.

As mentioned by Chapra (1995) that universal faith of Islam is rational, simple and easy to understand. He also mentioned that Islam is based on the three pillar principles which are: *Tawhid* (unity), *Khilafah*(vicegerency), and *'adlb*(justice). The framework of Islamic worldview lay down on these principles, these principles also the source of the *maqasid*and the strategy of the Islamic system. The *Tawhid* (Oneness and Unity of God) foundation of the Islamic faith is the concept whereby the world view and strategy as a whole. Chapra (1995) briefly stated that every logical minded emanates from *Tawhid*. Chapra's view about this *Tawhid* concept means that the universe has been consciously designed and created by the Supreme Being, *Who is One and Unique and did not come into existence by chance or accident*.²³ Every creation by Him has a purpose. It is not God created everything in this universe without purpose and benefits. It is the goodness for a man who has given reason and mind to explore it. Additionally, Chapra (1995) stated that this purpose gives a significant meaning to the existence of the Universe, and man is apart. After the Universe created by Him, He did no retire. Chapra argues as the holy-Qur'an said "*He is actively involved in its affairs*.²⁴ *and is aware of and deeply concerned with even the minute's details*.²⁵

As Aydin (2013) demonstrated from Nursi that the *Tawhid* paradigm defines on five pillars: *Tawhid* (oneness of God), *nubuwah*(prophethood), hereafter (*akbarah*), *adlab*(justice) and obedience to God (*ibadah*). He mentioned that the last one is not only about the praying, but also the whole life according to the Divine guidance. The human beings would be helped by this concept regarding controlling their badness and disclose their goodness towards to

²³QS. 3:191; 38: 27; 23: 15

²⁴ QS. 10:3; 32: 5

²⁵QS. 31:16; 67:14

fulfilling their missions as *khalifah* and to reach to the highest rewards from Him (*al-Falah*) (Aydin, 2013).

In addition, Possumah (2014) declared the simplicity of *Tawhid* according to Sheikh Shalih Fawzan in his *Book of Tawhid* is the man's devotion in term of worship to Him alone.²⁶ Imam Ibn Taimiyah dividing *Tawhid* into *Tawhid Rububiyah*, *Tawhid Ulubiyah*, and *Tawhid Asma'' wa as Sifaat*.²⁷ *Tawhid* and worship linked to each other and very closely, therefore according to Al Qurtuby in his *Tafseer Al Jaami'' li Abkamil Qur''an* represent that some of Salaf scholars interpret word *Lija'' budumin* surah *ad-Dzariyat* verses 56 with *liyawahhidun*.²⁸

Undoubtedly, in Islamic view that *tawhid* is the important basic and key concept of whole life. As quoted from Possumah (2014), according to Siddiqi (1980): *'It sums up the Islamic way of life and presents, in a nutshell, the essence of the Islamic civilization'*. He rightly considers 'a lapse from *tawhid*' the main cause behind the Muslims' decline – 'their loss of political power, of their economic backwardness, intellectual stagnation, and social degeneration (Possumah, 2014).

Tawhid as the construction concept of charitable foundation is the apostolic preaching essence. This concept is embedding the whole economic aspects with moral and ethical values as a basis, involving the institutional and legal, social, culture, and religious functions not only enables the socio-economic condition to come true, but also this concept becomes an extended study of political economy and the world-systems (Possumah, 2014). The *Tawhidic* attributes used for the comprehensive meaning of economics, society and worldview science as the socio-scientific, it becomes important and urgent because of these attributes also as a base unity of knowledge towards domains diversity and entities (Choudhury, 1992). Choudhury (1992) also emphasized that since economic activities are part of worship, the worship it-self as a realization of *Tawhid*, thus he also noted that the economic activity of a Muslim should be based and relies on *Tawhid*, as well as all human activities in the political, social and culture. In his sum, he declared the relationship between *Tawhid* and economic can be seen in three basic values of *Tawhid* principles that become the foundation for economic activities, i.e. consumer behavior of Moslem society is the fruit of *Tawhid*. According to Choudhury (1992) and Possumah (2014) these three basic values as below: 1] Believing in the Resurrection Day and the hereafter life, this principle gives the understanding

²⁶As Syaikh Shalih Fawzan, *Concise Commentary on The Book Of Tawheed*, 2005, Riyadh, Maiman Publishing House, p.1, the argument from Al Qur'an related the types of Tawheed among are QS.23: 84-89, 7: 180, 12:31

²⁷Samir Muhammad Nawfal, *Daurul Aqidah Fi al Iqtishod al Islamy*, 2005, Jamiah al Azhar, p.29

²⁸Al Qurtuby, *al Jami'' li Abkamil Qur''an*, ch.19, p.506, see also Abu Hayyan Al Andalusi, *Bahr al Mubith*, 1993, Beirut, Dar al Kutub, I/Ch.2

direction to human, whereby the human being as God's creation have to give priority to the hereafter than world consumption. According to them, the hereafter consumption is the future consumption (because there is a reward in heaven), while world consumption is the present consumption. In this context, the economic activities as *a place of worship*. Nothing more precious than our submission to God, in the name of we are as a human are His creations. Allah Said, —*Whosoever desires the reward of the Hereafter, We give him increase in his reward, and whosoever desires the reward of this world, we give him thereof, and he has no portion in the Hereafter*²⁹; 2]The second concept is the success of Muslim life. This successful measured by religious morals of Islam, not by their own property. The higher achievement of their success is high morality in this world. The key point to achieve this Islamic morality by the benevolence, truth, and faithfulness to Allah. These both moral can be achieved with the goodness (behavior) and useful for human life and prevent crime. In this context, the economic activities as *a place of wealth* which human activities in the noble task of distributing economic resources to create and maintain the continuation of humanity; 3] Property is Allah's grace and not something which in itself is bad (excessive and should be shunned). To reach Allah's pleasure, depending on the property using, this purpose to achieve the goal of life in this world, this can be achieved if they cultivated and manage their properties in proper use. The economic activities in this context as *a place of welfare*, it should be an instrument for combating the social and economic inequality in society and hold the egocentric which tend to focus on self-interest. This concept based on universal brotherhood (*ukhuwah*)³⁰. In this sense, the Muslims illustrated like one body, when one organ is suffering from any pain so that the whole body feels discomfort³¹. Thus mutual help rather than conflict should be the basis of all economic relationship. Like Allah said in the Qur'an, "*And the parable of those who spend their wealth seeking Allah's pleasure while they in their own selves are sure and certain that Allah will reward them (for their spending in His cause), is that of a garden on a height; heavy rain falls on it and it doubles its yield of harvest. And if it does not receive heavy rain, light rain suffices it. And Allah is All-Seer (knows well) of what you do.) This is the example of the believers who give away charity seeking only Allah's pleasure,*"³² So now, we can see the distinctions between the mainstream of economic and *Tawhidic* economic from this matrix below:

²⁹QS. 42:20

³⁰QS. 4:1

³¹QS. 49:10, see also Hadith narrated by Muslim, *Kitab al Birr wa al Silah*, No.80

³²QS. 2:265

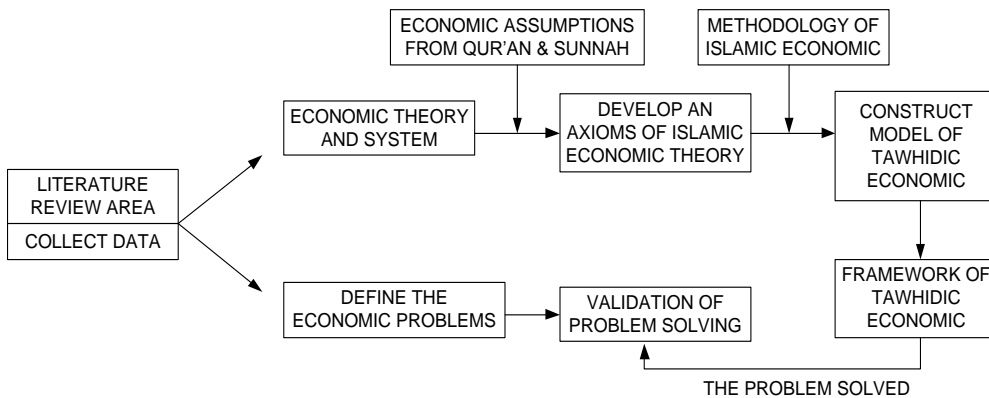
Tabel 1.
The Distinctions Between The Mainstream Of Economic And *Tawhidic*
Economic

Framework	Mainstream Economics	Tawhidic economic
Principles	Private ownership Self-interest Rationality Free market Capital accumulation & utility satisfaction	Unity & man as <i>kehalifah</i> Brotherhood Ethics & norm Justice <i>Maslahab</i> oriented & efficient utilization
Instruments	Interest theory Private ownership theory Tax No government intervention Individual profit oriented	Profit & loss sharing Restrictions ownership (Allah as the owner) Islamic tax <i>Zakah</i> Islamic government intervention <i>Maslahab</i> and social oriented
Mechanism	Market mechanism	<i>Adl</i> market mechanism
Decision-making	Centralized and decentralized	<i>Musyawarah</i> based <i>maslahab</i>
Objectives	Economic activities as the expansion of wealth and individual satisfaction	Economic activities as a place of worship, place of wealth, and place of <i>ummah</i> welfare

Hence, the paper proposes a framework to illustrate the position of *Tawhidic* based economic system. The framework of positioning *Tawhid* in the economic system as follow:

Figure 1.

The framework of positioning *Tauhid* in the economic system



The framework of this paper stems from a survey of literature review studies as collecting data, it is necessary to explore the theory and modern economic system and study the various issues facing the world economy. This exploration in order to obtain economic assumptions that are consistent with Islam from Al-Qur'an and *Sunnah* tends towards to develop an axiomatic theory of Islamic economics by using the methodology of Islamic economics. The next axiom establishment aims to develop a framework for economic *Tauhid* to construct the real *Tauhid* based economic framework. In the sum of this establishment and validation of the framework can be a solution to economic problems on today, through the Islamic economic system based on *Tauhid*.

Based on the previous section we have mentioned, it clearly that the *Tauhid* as a base of Islamic economic. This *Tauhidic* principle as the foundation and philosophy in economic activities. The principles according to economic assumptions from the Quran and *Sunnah*, that all those assumptions based on *Tauhid*.

CONCLUSION

The one points of the difference between the Islamic economic system with other economic systems in their philosophy, which consists of values and goals. In Islamic economics, economic values attributed to the al-Quran and *Hadith* that form of universal principles. While other economic systems focusing on the law and causality of economic activity, Islam further discusses values and ethics contained in each their economic activities. These values always underlie in every Islamic economic activity. Discussion of values and ethics are looking to the future economic vision that is long term. This, in turn, will create equilibration, economic justice and harmony of the human race, so as to minimize economic problems. Therefore the messages contained in the Quran and *Sunnah*, there should be interpreted and concepts into a systematic form of teaching that will be easier to understand, internalize, and practiced by anyone.

Thus the Islamic teachings no longer just a moral message but became a system as a way of life and rule of the game that followed. That's how religion will actually bring real impact on improving human welfare, not only the physical side but also the spiritual side.

Therefore, incorporate elements of *tawhid* in the modern economic system become a necessity. The combination is expected to produce *tawhid* properties in economics. During the time, the economy is understood as a discipline related to the science itself, does not have relations with the human needs widely, namely, it's needed, whether intellectual, emotional and spiritual. By entering the spiritual element (*tawhid*), then the economics will produce a new nature without losing their old nature, as disciplines with material issues. By this concept, the economy becomes a full complement of properties in addition to material, also received the spiritual aspect as being spirit (*tawhid*) in Islam. Therefore, the way a modern economy that puts the main objective to maximize economic pursuits for producers and maximize satisfaction for users, in the perspective of *tawhid* cannot be accepted. By presenting social and spiritual aspects in *tawhidic* approach, the economic activities by individuals aiming at the development itself as a form of individual responsibility, others (society) as a social responsibility, in the interests of social, economic and spiritual. In sum, the final opinion is the true economic system does not give any problems and leave a negative impact on human life but should create harmony and welfare for all mankind.

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