The Diversity of Contemporary Islamic Economic Thoughts of Schools: Baqir As-Sadr, Mainstream and Alternative

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Purpose: This study aims to reveal three schools of thought in contemporary times regarding Islamic economic thought in contemporary times, namely the Baqir As-Sadr, Mainstream, and Alternative (critical) schools.

Design/Method/Approach: This research was conducted with the library (Library Research) data collection using documentation data collection techniques with data analysis, namely content analysis.

Findings: The results of this study indicate that contemporary Islamic economics in the first period, the view of the Baqir As-Sadr School, namely Islamic economics is not the same as Islam, Islamic economics must be changed to Iqtishadi, conventional economics needs to be discarded because it is not in accordance with iqtishodi, and the availability of resources is not limited, the two Mainstream schools, that is, not abandoning conventional economics, taking good values from the conventional and then transforming them into sharia, and finally limited resources, the three Alternative schools criticize previous contemporary schools, such as the Baqir As-Sadr school which destroys theories old but still using the old theory. While the Alternative Schools are considered to plagiarize conventional theory, finally Islamic economics needs to be tested for its truth. The three schools provide solutions to contemporary economic progress

Originality/Value: The main contribution in this research lies in disclosing the differences in the three schools of Contemporary Islamic Economics Schools: Baqir As-Sadr, Mainstream, and Alternative.
INTRODUCTION

The religion of Islam is known as the truest religion which is used as the Koran and Hadith as a guide and guide to the truth, but there are many different knowledge regarding the understanding of the Koran and Hadith, it turns out that differences do not make it a disaster for Muslims, on the contrary, these differences be a mercy for Muslims.\(^1\) As long as these differences are still in the appropriate corridor, as intended in earnest in achieving the pleasure of Allah SWT and always using the main sources, namely the Koran and Hadith.

Differences in understanding the Koran and hadith,\(^2\) in the study of Islamic economics has existed in previous times, especially internal policies Islamic economic theory\(^3\) During the contemporary Islamic economic school, three studies were involved from the point of view of the character of Islamic economic thought, while the 3 schools described were schools in the contemporary period regarding Islamic economic thought, namely the Baqir As-sadr, Mainstream, and Alternative (critical) schools.\(^4\)

The background to the emergence of the three schools of thought is that there are differences in understanding of contemporary Islamic economics according to each of them, so that Islamic economics tends to change according to the time and age of knowledge. The changes made depend on the educational background and background tendencies of the pioneers themselves. So the author describes each school, namely what are the differences between the three schools?

Theoretical basis

**Character Background (Muhammad Baqir As-Sadr):**

The real name of Baqir As-Sadr is Muhammad Baqir As-Sayyid Haidar bin Ismail, or also known as Asy-Syahidul Khamis.\(^5\) Muhammad Baqir As-Sadr was born Khadhimiyeh, in Baghdad. On 25 Dzulqadah in the year 1353 H/ 01

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\(^1\) Bakker Understanding the Grace of God'.
\(^3\) Dedah Jubaedah Supriatna Supriatna,'Policy Fiscal Time AL-Caliphate AL-Islamiyah', 22.2 (2020).
March 1935. He came from a Shi'ite family and became one of the leading thinkers thus symbolizing the intellectual renaissance of the 1950s and 1980s at that time.

His works are Falsafatuna and Iqtishaduna. Books discussing economics are found in the second book, namely Iqtishaduna, the book were classified as phenomenal so that at that time it became a separate school.

He is a descendant of intellectual people, so that it can be said that Baqir as Sadr is also quite intelligent and his arguments are recognized by many people. Plus the education chosen by him studied in Iraq regarding traditional schools, where he studied fiqh, ushul, and theology. He was very prominent in his intellectual achievements, so that at the age of 20 he obtained the degree of mujtahid mutlaq, and then increased again to the highest level of marja authority (distinguishing authority). This intellectual and spiritual authority in the Islamic tradition is also manifest in Sadr's writings, and it is in his Iqtishaduna (our economy) that he demonstrates a methodology of asserting independent statements according to conditions.

Even though he took many traditional studies, he also never abandoned contemporary issues, even trying to give good values to contemporary sciences, be it philosophy, economics, sociology, history, and law.

Taleghani was a pious person and was active in voicing the conditions for Muslims to be independent. Not only voicing politics but also expressing his thoughts and ideas. Finally Iraq suggested establishing Hizb ad-Da’wah al-Islamiyah or Islamic Da’wah party, finally the party was able to unite Islamic thinkers against the capitalist and socialist Ba’ats at that time in 1958. Baqir As-Sadr made a contribution to his thoughts through his books, namely Falsafatuna (our philosophy) and then Iqtishaduna, in the book gave a comparative critique of capitalists and socialists.

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7 Baqr As Shadr, Master Book of Islamic Economics Iqtishoduna, (Jakarta: Ziyad, 2008), p. 286.


In line with these criticisms, then the leaders of this school emerged\textsuperscript{12}, as for the figures of this school besides Baqir Al-Shadr are\textsuperscript{13}.

1. Abbas mirakhor
2. Baqir al-Hasani
3. ancient as-sadr
4. All-out rage
5. Hedayati, dll

It was these figures who strengthened Baqir As-Sadr’s thoughts in dealing with capitalist and socialist ideas, so that they could become a stronghold for the struggle for Islamic economics to develop and continue to progress.

\textit{Mainstream sects}

Mainstream sects\textsuperscript{14} pioneered by Umar Chapra, Mannan, and Nejatullah Sidqi. and others.\textsuperscript{15} The majority of them are economists who study and teach at Western universities and most of them are Islamic Development Bank (IDB) economists. The science that is currently developing in the Western world is basically a scientific development developed by Muslim scientists in the era of the dark ages.\textsuperscript{16}

As the name implies, this school of Islamic economic thought dominates the treasures of Islamic economic thought throughout the world. The spread of this school is influenced by several things, namely:\textsuperscript{17} First, in general their thinking is relatively more moderate when compared to other schools of thought so that it is more easily accepted by society. Second, many of their ideas are presented in conventional economic ways, for example using economic modeling and quantitative methods, so that they are easily understood by the

\textsuperscript{13}‘Adivarman Karim. Islamic Microeconomics Edition Three: Rajawali Press (Jakarta, 2007), Pg: 30’.
\textsuperscript{14}‘Arifin, Bustanul, Zainal Fanani, and M. Muftikul Khitam. “The Relevance of Corporate Social Responsibility to Islamic Economic Values from the Perspective of the Mainstream School.” At-Tahdzib: Journal of Islamic Studies and Muamalah 7.2 (2019): 100-120.’
\textsuperscript{15}‘Husaini, Muhammad. The framework of Islamic economic thought: a comparative study of the thoughts of Muhammad Nejatullah Siddiqi and Baqir Al-Sadr. Diss. Un Sunan Ampel Surabaya, 2015.’
\textsuperscript{16}‘M. Nur Rianto Al-Arif, Fundamentals of Islamic Economics, 26.’
\textsuperscript{17}Only Chamid,\textit{Historical Footsteps of Islamic Economic Thought}(Yogyakarta: Student Library, 2010), 408-409.
wider community. In fact, this is not surprising, because most of the supporters of this school have a conventional economic educational background, in addition to adequate mastery of Islamic knowledge. Many of them have studied at a high level of education and are still active in scientific activities in Western countries, for example Umar Chapra, Muhammad Nejatullah Siddiqi, and Muhammad Abdul Mannan. Third, most of the figures are staff, researchers, advisors, or at least have a close network with established regional and international institutions such as the Islamic Development Bank (IDB), International Institute of Islamic Thought (III T), Islamic research and Training Institute (IRTI), and the Islamic Foundation at several advanced universities. These institutions have extensive networks supported by adequate funding, so that they can socialize the idea of Islamic economics better. In fact, the idea of Islamic economics is implemented in real economic policies, as is done by the IDB in assisting development in Muslim countries.

**Alternative-Critical School**

The pioneers of this school are Timur Kuran (Chairman of the Department of Economics at the University of Southern California), Jomo (Yale, Cambridge, Harvard, Malaya), Muhammad Arif, and others. This school is a critical school. They argue that a critical analysis must not only be carried out on socialism and capitalism, but also on the Islamic economy itself. Meanwhile, the alternative school of thought pioneered by Prof. Timur Kuran (Chairman of the Department of Economics at the University of Southern California), Prof. Jomo and Muhammad Arif, Furthermore, this school offers a contribution by providing a critical analysis of economics not only in the view of capitalism and socialism (which are representations of conventional economic faces), but also by criticizing the development of Islamic economic discourse.

**RESEARCH METHOD**

The study in this research is a literature review (library research) with data derived from secondary data, namely documentation related to contemporary schools of Islamic economics, the Baqir As-Sadr, Mainstream, and Alternative
schools of thought. Data sources are in the form of scientific articles, books and statistics agency data. To analyze the data, the researcher used content analysis, namely analyzing all written data sources related to the problems of the existing forms of thought of the three schools regarding the Baqir As-Sadr, Mainstream, and Alternative schools.

RESULT AND DISCUSSION

Mazhab Baqir Al-Shadr

*Islamic Economics Is Not the Same as Islam*

The Baqir As-Sadr School believes that Islamic economics is not the same as Islam, because the two are contradictory to each other, for example, economics refers more to deficient human practices and thoughts, while Islam is impossible to have deficiencies.23 Economics is never the same as Islam, economics is still economics, Islam is still Islam, and so the perspective will be different when looking at economics. Therefore the term with Islamic economics must be removed, and then replaced with Iqtishadi. In the Iqtishadi sentence it is not only translated literally, namely economics, but there is a qasad sentence which means equilibrium, balanced, equal or middle condition.

*Conventional Economics Must Be Discarded*

In addition, conventional economic problems must be rejected and discarded and replaced with new theories based on the Koran and Hadith.24 All theories developed by conventional economics are rejected and discarded. For this reason, it is necessary to dig back from the Koran and Hadith to a new theory of economics which is labeled Islamic economics.

The conventional economy that used to use interest did not make the people's economy rise, but rather the opposite, so the practice of interest was replaced by collecting zakat. For that, Islam advocates re-examining the things implied in the economic practices given the label of Islamic economics.

*Unlimited Resources*

In this school, it has been determined that economics cannot be in line with Islam because both are philosophically contradictory; the economy is

23 only Chamid, *Historical Footsteps of Islamic Economic Thought*, Pustaka Pe (Yogyakarta, 2010).

classified as anti-Islam, while the other is Islamic. Economic problems according to the theory of unlimited human wants while the availability of limited resources. Rejecting the statement stating that "economic problems arise due to unlimited human wants while limited natural resources."

Meanwhile, the Baqir Al-Shadr school of thought rejects this theoretical statement based on that Islam does not recognize any limitations of desire because in the Qur'an it has been explained that Allah has created in the most precise size possible. Indeed, We have created everything according to measure (QS. Al-Qamar: 49).

**Mainstream sects**

**Limited Economic Resources**

This school has a different view of economics, because in their view that the economy has limited resources, even though humans have unlimited needs. It can be seen that humans often experience limited economic resources in Afghanistan or Iraq, even though they really need economic resources. With limited economic resources, Islam provides a brake to limit desires, if desires are not braked it will have bad consequences for the human being himself, such as the level of selfishness being a priority, as a result of not fulfilling his desires.

Limitations of resources have been explained by Allah as the word of Allah in Surah: Al-Baqarah 155, the verse explains that sometimes Allah tests humans with a little hunger. This hunger indicates the existence of limited resources.

**Supporting Conventional Economic Existence**

Thus, the views of this school on economic issues are almost no different from conventional economic views. The scarcity of resources is the cause of economic problems.

Islamic economics needs to be developed but not by scorching valuable and valuable conventional analysis. This means that conventional existence can

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27 'Arifin, Bustanul, Zainal Fanani, and M. Muflikhul Khitam. "The Relevance of Corporate Social Responsibility to Islamic Economic Values from the Perspective of the Mainstream School." At-Tahdzib: Journal of Islamic Studies and Muamalah 7.2 (2019): 100-120.'

28 ‘Adiwarman A. Karim, Islamic Microeconomics, 31-32.’
serve as material for comparison of Islamic economics to become material for consideration and strengthening of the science of economic development in the future, in line with that "everyone should pay attention to what has passed as a benchmark for tomorrow" (Q.S.59: 18). Especially in contemporary times, the application of conventional economics is classified as already dominating the world; its practical tools are classified as sophisticated and advanced. It is undeniable that conventional economics can make an extraordinary contribution in advancing human life, especially materially, such as increased production and ease of communication.

**Taking the Good from the Conventional**

Taking what is good and useful from non-Muslims is absolutely not prohibited by Islamic teachings. Practices like this have been taught and practiced by classical Muslim scientists with the principle that what is useful is taken, while what is not useful must be discarded. Muslim scholars and scientists borrowed a lot of knowledge from other civilizations, such as Greece, India, Persia and China which were useful and taken away and those that were not useful were discarded, so that the transformation of knowledge was illuminated by the light of Islam.  

Of all bad actions there must be a good value as explained by Ibn Taimiyah that "Whatever God bestows on His servants is good even though it is bad, while the good done by humans is an offense. So Allah SWT always gives instructions to humans to always do good which according to Him is good, because goodness can erase evil."

The bad things that are done by conventional economics, of course, there are good values that are practiced by conventional, that good is taken and the bad is left behind.

**Transformation into Sharia**

Conventional transformation towards Islam in the context of good action relations and according to Islamic principles, including good deeds. For this reason, the Mainstream school does not eliminate the existence of conventional practices, because if it is good it can be practiced by Muslims, such

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30 'Ika Yunia Fauzia and Abdul Kadir Riyadi, Basic Principles of Islamic Economics Perspective of Maqashid Al-Syari'ah, 39-40.

as financial institutions that are increasingly developing and controlled by conventional ones due to the existence of conventional institutions. Finally emerged Islamic financial institutions. This means that this school does not see conventionalism as an opponent that must be eradicated but as material for modifying it to sharia.

**Limited Needs**

In this view they agree that the economic problem is that there are limited resources faced with unlimited human wants. Evidence of that is the scarcity of certain resources in certain areas, for example water, and fuel. This scarcity is also recognized in the Koran S. al-Baqarah: 155

This second school of thought differs from the Baqir As-sadr school of thought. This school, which is better known as the mainstream school, actually argues that economic problems arise due to limited resources faced with unlimited human desires.

In conventional economics, choices and prioritization are made based on personal taste, regardless of whether it conflicts with religious norms and values or not. In other words, choices are made based on mere demands of lust (Homo economicus). Whereas in Islamic economics, making choices cannot be arbitrary, because all aspects of our life have been regulated by the Qur’ān and Sunnah. As an Islamic economic man (Homo islamicus) must always obey the existing sharia rules.

**Alternative-Critical School**

As the name suggests, the Alternative school is also called the critical school that critical tone is the hallmark of this school. According to him, critical analysis is not only on socialism and capitalism but also on the concept of Islamic economics.

Criticizing the former sects, like the Baqir As-sadr School, namely the theory of the Baqir As-sadr School is to destroy old theories and give birth to new theories. The Baqir As-Sadr School is said to be a school of thought that

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32 ‘Mulyadi, Dedi. “Islamic Economic Thought Umer Chapra.”’
33 ‘Abidin.
wants to find something that already exists, even though it has been discovered by others, and has even been practiced by other people. The mainstream school of thought is criticized because it is a plagiarism of the conventional which eliminates usury and then replaces it with zakat and intention.

In addition, the Alternative sect was pioneered by Prof. Timur Kuran from the University of Southern California, Jomo from Harvard University, and M. Arif, argued that Islam must be true while Islamic economics is not necessarily true because Islamic economics is only a human interpretation that has erroneous attitudes towards understandings of Islamic teachings. Therefore, statements in Islamic economics cannot be taken for granted, but there must be an act of testing the truth. In short, this school will not be able to take for granted what is in Islamic economics if there is no scientifically proven testing.

The Baqir As-Sadr School focuses more on three issues, such as, the economy is not the same as Islam, conventional economics cannot be applied because it harms other people or there is injustice, and finally, resources are not limited because God gave nature for human needs contained in the Koran. Surat Qamar: 49. Mainstream thinking is different from Baqir's thinking, the difference is in limited economic resources, giving support to conventional practices because conventional existence can be applied which is fine but when something is not good is abandoned. This means that conventional existence is allowed according to the mainstream school of thought to be able to apply ATM practices (observe, imitate and modify), so that they can transform into practices in accordance with Islamic law, rejecting the sentence unlimited economic resources, limited economic resources because it is contained in the word of Allah in the letter al-Baqarah: 155 in this verse emphasizes that Allah gives limited natural resources, finally the Critical-Alternative school tends to criticize the Baqir school that the baqir as-Sadar tends to apply pre-existing theories so that no novelty is found from the Baqir as-Sadr school, while the Baqir as-Sadr school Mainstream plagiarized from the previous theory only added to the principle of zakat distribution and contained in the intention.

Among these three schools, if studied based on the theory of dialectics and a unified methodology, these three theories are not actually worthy of making claims, which in turn lead to a sharp theoretical dialectical conflict that can lead to divisions. However, these three schools of contemporary Islamic economics basically have a unity and are able to complement each other based

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on the theoretical role carried out by each school. As with the shortcomings of the mainstream schools which tend to be easily misperceived as an economy minus usury plus zakat, the As-Sadr school should later reiterate that there should be no conventional practices that give rise to elements of usury, and be corrected continuously by the critical-alternative schools.

**CONCLUSION**

From the explanations discussed by the author, it can be concluded that Islamic economics in contemporary times is distinguished by three schools, namely the Baqir As-Sadr school belonging to the first school that provides contemporary Islamic economic theory that is different from capitalist and socialist theories in which the Baqir As-Sadr school has the principle that economics not the same as Islam, it needs to be changed with Iqtisadi, conventional economics must be eliminated because it conflicts with sharia principles, human resources are not limited, so we need to be grateful. The mainstream school of thought argues that conventional economics is good to apply when it encounters deficiencies, it is changed to conform to sharia or it is transformed to sharia principles and limited resources should be used as well as possible. Finally, the Alternative School as a critic of the Baqir As-sadr school regarding destroying old theories while still using old theories, for mainstream thinking is more about creating old theories, and Islamic economics can be justified when there is research and its truth is tested.

The differences that exist in the three schools of Baqir As-sadr, Mainstream, and Alternative schools are not meant to exacerbate problems so that divisions occur which result in conflict, but rather that the three schools provide solutions to each other's shortcomings.

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