

Ibnu Miskawaih's Islamic Economic Thinking (Reviewing The Concept of Exchange and The Role of Money According to Ibnu Miskawaih)

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Abstract. This study aims to examine the concept of exchange and the role of money according to Ibnu Miskawaih. This research on the concept of exchange and the role of money is carried out by using a library research approach, namely, by recording all findings and combining all findings, both theories or new findings from books, websites, articles and newspapers on the study of the concept of exchange and the role money according to Ibn Miskawaih. The results of the study show that Ibn Miskawayh's Islamic Economics thought a lot about the exchange of goods and services and the role of money. According to him, humans are social beings who need each other to meet the needs of goods and services. Therefore, humans will exchange goods and services with appropriate compensation (*riward, al-mukafad al-munasibah*). Humans act as assessors and balancers (*al-muqawwim al-musawwi baynahuma*) in exchange so as to create justice. Ibn Miskawaih also discussed the advantages of gold coins (*dinar*) which are widely accepted and become substitutes (*mu'awwid*) for all types of goods and services. This is because gold is a metal that is durable, easy to carry, not easy to imitate, desired and loved by many people..

Keywords: Exchange; the Role of Money; Ibn Miskawaih

Introduction

Al-Qur'an and Hadith are the two main sources that guide how the history of economic civilization begins. In the Qur'an and Hadith, there are many words of Allah and also an explanation of the laws which have become principles in Islamic economics. Al-Qur'an and Hadith are the two main sources that guide human thought in applying human thought, including in economic matters. Muslim intellectuals use two main sources, namely the Qur'an and Hadith to solve some of the economic problems that began to emerge after the death of the Prophet.

History is a science that frees itself to be interpreted by anyone

who researches it.¹ Through historical writing, one researcher with another may differ in interpreting various historical moments that have occurred. So it is not uncommon to find historical articles that don't seem to completely display historical facts that occurred in the field. One thing we need to pay attention to is the advancement of Islamic civilization through the mastery of science which seems to be obscured today.

Various scientific concepts today are the result of the evolution of various thoughts and ideas of previous figures. Likewise, economics which is very advanced in the west is the result of developments from time to time, both from pre-Islamic times to modern times that we feel today. There was an era where science in the Islamic world experienced its peak of glory, including economics. However, this golden era seems to be trying to be covered up by western scientists.

Meanwhile, Schumpeter (1776) made a "great gap" thesis by saying that economic analysis only started from Greece and did not develop again until the emergence of a European Scholastic scientist named St. Thomas Aquinas. In fact, Schumpeter's "great gap" actually occurred during the heyday of Islam, when many Muslim scientists made major contributions in various types of discoveries and scholarship, including in the economic field. The content of contemporary economics today can be traced to its resemblance to the work of medieval Arab scientists such as Abu Yusuf (731-798), Al Farabi (873-950), Ibn Sina (980-1037), Al-Ghazali (1058-1111), Ibn Taimiyah. (1263-1328), and Ibn Khaldun (1364-1442). There is continuity between the work of Greek intellectuals, medieval Muslim scholars and scholastic scholars.²

This connection is explained by Adiwarmanto in his book *History of Islamic Economics* that there is the theft of Muslim economists' ideas by western economists. Even though Muslim economists have made enormous contributions to science, Muslims do not forget to acknowledge the services of Greek, Persian, Chinese and Indian scientists through the

¹ Abdul Karim, *Sejarah Pemikiran Dan Peradaban Islam* (Yogyakarta: Bagaskara, 2012), 14.

² Ali Rama, *Schumpeterian "Great Gap" Thesis and Medieval Islamic Economic Thought: Interlink Between Greeks, Medieval Islamic Scholars and European Scholastics* (Jakarta: UIN Syarif Hidayatullah, 2017), 2.

massive translation of various literatures into Arabic. Therefore history should note that economics which is developing rapidly in the west today cannot be separated from the services of Muslim economists.³ The debate on economic issues motivates us to review the history of classical Islam.

The enormous contribution of the Muslims to the survival and development of economic thought in particular and world civilization in general, has been neglected by Western scientists. Western economics textbooks almost never fail to mention the role of these Muslims. According to Chapra, although some of the blame lies with the Muslims for not adequately articulating the contributions of the Muslims, the west has a role in this, because it does not give proper appreciation for the contributions of other civilizations to the advancement of human knowledge.⁴

Western historians have written economic history on the assumption that the period between Greece and the Scholastics was sterile and unproductive. For example, the eminent historian and economist Joseph Schumpeter completely ignores the role of Muslims. He wrote his economic history of the Greek philosophers and immediately made the 500-year long leap, known as The Great Gap, to the time of St. Thomas Aquinas.⁵

Adam Smith (1776) also explained that the most advanced economy was the economy at the time of Muhammad bin Abdullah and those after him.⁶ The following people here mean referring to the Companions and Tabi'in. From this statement, it is evident that in the early days of Islam, economics was very advanced. Although it must be admitted in a small portion, the progress of the Islamic economy was also influenced by the civilizations of the Greek and Roman eras, so to see the gait of Muslim scientists in the progress of economics is to understand

³ Adiwarman Azwar Karim, *Sejarah Pemikiran Ekonomi Islam* (Jakarta: Raja Grafindo Persada, 2004), 9.

⁴ Muhammad Akmansyah, "Al-Qur'an Dan Al-Sunnah Sebagai Dasar Ideal Pendidikan Islam," *Ijtimaiya: Jurnal Pengembangan Masyarakat Islam* 8 (2) (2015), <https://doi.org/https://doi.org/10.24042/ijpmi.v8i2.914>.

⁵ Karim, *Sejarah Pemikiran Ekonomi Islam*.

⁶ Boedi Abdullah, *Peradaban Pemikiran Ekonomi Islam* (Bandung: Pustaka Setia, 2010), 15.

history correctly.

One of the Muslim scientists who contributed greatly in the economic field was Ibn Miskawaih. If we examine the books and thoughts of Ibn Miskawaih, he is more widely known in the field of education. His contributions also discussed ethics and philosophy a lot so that Ibn Miskawaih is better known as the Father of Islamic Ethics as in Akilah Mahmud research which studies Islamic morals according to Ibn Miskawaih⁷. Nur Hamim⁸ and Benny Prasetya⁹ explained about comparative moral education and the dialectic of the educational concepts of Ibn Miskawaih and Al-Ghazali, meanwhile Harpan Reski Mulia examines character education, analyzes the thoughts of Ibn Miskawaih¹⁰ and Hadi Candra, et al. discusses habituation of character education in Ibn Miskawaih's thinking¹¹, while Syamsul Bakri examines Human Philosophy on Ibn Miskawaih's thoughts in the Book of Tahdzib Alakhlaq.¹² In this case, there is a question how is Ibn Miskawaih's contribution in terms of the economy? The answer is, of course, although not as much as Ibn Miskawaih thought in education and philosophy.¹³ Ibn Miskawaih's contribution in the field of economics is his thoughts on the concept of exchange and exchange of money.

There are only 2 functions of money in an Islamic economic

⁷ Akilah Mahmud, "Akhlak Islam Menurut Ibnu Miskawaih," *Aqidah-Ta: Jurnal Ilmu Aqidah* 6, no. 1 (2020), <https://doi.org/https://doi.org/10.24252/aqidahta.v6i1.15566>.

⁸ Nur Hamim, "Pendidikan Akhlak: Komparasi Konsep Pendidikan Ibnu Miskawaih Dan Al-Ghazali," *Ulumuna* 18, no. 1 (November 8, 2017): 21–40, <https://doi.org/10.20414/ujs.v18i1.151>.

⁹ Benny Prasetya, "Dialektika Pendidikan Akhlak Dalam Pandangan Ibnu Miskawaih Dan Al-Gazali," *Intiqad: Jurnal Agama Dan Pendidikan Islam* 10, no. 2 (December 30, 2018): 249–67, <https://doi.org/10.30596/intiqad.v10i2.2381>.

¹⁰ Harpan Reski Mulia, "Pendidikan Karakter: Analisis Pemikiran Ibnu Miskawaih," *Tarbawi: Jurnal Ilmu Pendidikan* 15, no. 1 (June 30, 2019): 39–51, <https://doi.org/10.32939/tarbawi.v15i1.341>.

¹¹ Hadi Candra, Yelni Erniyati, and Pristian Hadi Putra, "A Habituation Method in Education Character: An Ibn Miskawaih Thought," *AJIS: Academic Journal of Islamic Studies* 6, no. 2 (December 31, 2021): 245, <https://doi.org/10.29240/ajis.v6i2.3501>.

¹² Syamsul Bakri, "Pemikiran Filsafat Manusia Ibnu Miskawaih: Telaah Kritis Atas Kitab Tahdzib Alakhlaq," *Al-A'raf: Jurnal Pemikiran Islam Dan Filsafat* 15, no. 1 (June 30, 2018): 147, <https://doi.org/10.22515/ajpif.v15i1.1102>.

¹³ Annisa Silvi Kusumastuti and Syamsuri, "Konsep Pertukaran Dan Peranan Uang Menurut Ibnu Miskawaih," *An-Nisbah: Jurnal Ekonomi Syariah* 7 (1) (2020).

perspective, namely; (a) money as a unit of value or price standard (unit of account) and (b) money as a medium of exchange.¹⁴ Meanwhile, according to al-Ghazali, the function of money is clear to be a unit of account and a medium of exchange for non-commodity activities and others as already in the dinar and dirham. So in Islam, the activity of hoarding money and abusing the function of money is not justified and contradicts the main function of money itself.¹⁵

On the other hand, there are 4 function of money in a conventional economic perspective, namely; (a) money as a unit of account, (b) money as a medium of exchange, (c) money as a store of value, (d) money as a standard unit of payment in future (standard of deferred payment). In the conventional economic system, money does not only function as a legal medium of exchange (legal tender) but also as a commodity. Meanwhile, in the Islamic economic system, money is only a medium of exchange and not a commodity that can be traded.¹⁶ In this paper, it will be discussed more clearly about the concept of exchange and the role of money according to Ibn Miskawaih.

This research belongs to the type of library research, namely, by recording all findings and combining all findings, both theories and new findings from books, websites, articles and newspapers about Ibn Miskawaih's Islamic economic thought, analyzing all findings from various reading, and providing critical ideas about Ibn Miskawaih's Islamic economic thought related to the concept of exchange and the role of money.

Results and Discussion

Biography of Ibn Miskawaih

His full name is Abu Ali Ahmad Ibn Muhammad Ibn Ya'qub Ibn

¹⁴ Faisal Affandi, "Fungsi Uang Dalam Perspektif Ekonomi Islam," *EKSYA : Jurnal Ekonomi Syariah* 1, no. 1 (2021): 82–91.

¹⁵ Soritua Ahmad Harahap, "Pemikiran Imam Al-Ghazali Tentang Fungsi Uang," *LAA MAISYIR: Jurnal Ekonomi Islam* 6, no. 1 (2019): 1–15, <https://doi.org/https://doi.org/10.24252/lamaisyir.v6i1.9401>.

¹⁶ Santi Endriani, "Konsep Uang: Ekonomi Islam VS Ekonomi Konvensional," *Anterior Jurnal* 15, no. 1 (December 1, 2015): 70–75, <https://doi.org/10.33084/anterior.v15i1.201>.

Miskawaih. He was born in the city of Ray (Iran) in 320 H (932 AD) and died in Asfahan on 9 safar 421 H (16 February 1030 AD). He studied history with Abu Bakr Ahmad Ibn Kamil al-Qadhi (350/960) on the book *Tarikh al-Thabari*, and studied philosophy with Ibn al-khammar, a well-known commentator on Aristotelian philosophy.¹⁷

Regarding his prowess, before Islam, the author, Jurji Zaid, for example, questioned a lot about his being, for example, there was an opinion that he was a Magian, and then embraced Islam. Meanwhile, Yakut and the author of *Dairah al-Ma'arif al-Islamiyyah* disagree with this opinion. According to them, it was his grandmother who was a Magian, and then embraced Islam. This means that Ibn Miskawaih himself was born into an Islamic family, as can be seen from his father's name, Muhammad.

He is also suspected of being Shia, because most of his life was spent serving the government of the Buwaihi dynasty. When he was young, he served Al-Muhallabi, the vizier of the Buwaihi prince named Mu'iz al-Daulah in Baghdad. After the death of Al-Muhallabi in 352 H (963 AD), he tried and was finally accepted by Ibn al-Amid, the vizier of Mu'iz al-Daulah's brother named Rukn al-Daulah who was domiciled in Ray.¹⁸

Ibn al-Amid himself was a very intelligent man and a prominent literary figure. During the seven years he served as the librarian (khazin, i.e. keeper of the great librarian who kept many secrets) Ibn al-'Amid, he was able to study, to gain many positive things from associating with this prince, and to gain an influential position in the capital of the province of Buwaihi. After Ibn al-Amid died in 360 AH (970 AD), Miskawaih continued to serve his son, Abu al-Fath, who succeeded Ibn al-Amid as the wazinya of Rukn al-Daulah and who was also famous for being smart in the field of literature. Al-Shahib Ibn 'Abbad. Then Miskawaih left Ray for Baghdad and served the palace of the Buwaihi prince, 'Adhud al-Daulah. Miskawaih served this prince as treasurer and also held other positions. After this prince died in 372 AH (983 AD), Miskawaih continued to serve

¹⁷ Seyyed Hossein Nasr, *Sains Dan Peradaban Di Dalam Islam* (Bandung: Pustaka, 1986), 134.

¹⁸ Muhammad Yusuf Musa, *Falsafah Al-Akhlaq Fi Al-Islam* (Kairo: Muassasat al-Khaniji, 1963), 74.

the successors of this prince, Shamsam al-Daulah (388 H/998 AD), and Baha' al-Daulah (403/1012 AD) and rose during the Baha' al period. - Daula to a very prestigious and influential position. He devoted the last years of his life to studies and writing.

Although his scientific disciplines include medicine, language, history, and philosophy, he is more popular as a moral philosopher (al-Falsafah al-Amaliyyah), rather than as a divine philosopher (al-Falsafah al-Nazhariyyah al-Ilahiyyah). Presumably this is motivated by the chaotic situation of society in society, as a result of drinking, adultery, glamorous life, and others.¹⁹

History of Education and Work of Ibn Miskawaih

a. Educational History

In terms of educational background, there is no detailed historical data. However, it was found that he studied history from Abu Bakr Ahmad Ibn Kamil al-Qadhi, studied philosophy from Ibn al-Akhmar, and studied chemistry from Abu Tayyib. Because of his expertise in various sciences, Iqbal classifies him as the most famous Persian thinker, moralist and historian.²⁰

Ibn Miskawaih is more famous in the field of philosophy compared to other sciences; moreover his very famous work is on education and morals. So he spends more of his time thinking and learning independently without having to learn from the experts.

In the field of work, Ibn Miskawaih was treasurer, secretary, librarian, and educator of the children of the leaders of the Buwahi dynasty. In addition to being familiar with the authorities, he also got along a lot with scientists such as Abu Hayyan at-Tauhidi, Yahya 'Adi and Ibn Sina. In addition, Ibn Misakawaih is also known as a great historian whose fame exceeds that of his predecessors, at-Tabari (d. 310 H. / 923 AD) then he is also known as a doctor, poet and linguist.

¹⁹ Ibrahim Zaky Khursyid, *Dairah Al-Ma'arif Al-Islamiyyah* (Kairo: Al-Syaatt, 1989), 388.

²⁰ Abuddin Nata, *Pemikiran Para Tokoh Pendidikan Islam* (Jakarta: Raja Grafindo Persada, 2000), 5.

Ibn Miskawaih's expertise in various fields of science is evidenced by, among other things, his writings in the form of books and articles. Ibn Miskawayh was a person who was diligent in conducting experiments to gain new knowledge. In addition, he was entrusted by the authorities to study and educate the children of government officials; this certainly shows that Ibn Miskawaih was known to be scholarly by the wider community at that time.

Ibn Miskawaih was also named the third teacher (al-Mualimin at-Tsalits) after al-Farabi who was dubbed the second teacher (al-Mualimin al-Tsani) while the one who was considered the first teacher (al-Mualimin al-Awwal) was Aristotle. As the father of ethics in his book *Tahdzib al-Akhlak wa Tathir al-A'raq* (mind education and moral cleansing). Meanwhile, the sources of Ibn Miskawaih's ethical philosophy came from Greek philosophy, Persian civilization, the teachings of Islamic law, and personal experience. Ibn Miskawaih is a theorist in matters of morality, meaning that he has explored the philosophy of morality in terms of knowledge analysis. This does not mean that Ibn Miskawaih is not moral, it's just that the problem is viewed from a purely knowledge perspective.

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b. The work of Ibn Miskawaih

Ibn Miskawaih's expertise is evidenced by his writings in the form of books and articles. There are 41 books and articles written by Ibn Miskawaih. All of his works do not escape the importance of moral education (*tahzib al-akhlak*), among his works are:²² (1) *al-Fauz al-Akbar* (Great Ministry), (2) *Al-Fauz al-Asghar* (Small Ministry), (3) *Tajarib al-Umam* (a history of the great flood written in 369/979 AD), (4) *Usman al-Farid* (a collection of anecdotes, poems, proverbs and aphorisms), (5) *Tartib al-sa'adah* (about morals and politics) *al-Musthafa* (chosen poems). (6) *Jawidan Khairad* (collection of wise expressions), (7) *Al-jami'* (About the congregation), (8) *Al-Syiar* (about the rules of life), (9) About simple medicine (regarding medicine), (10) About Bajat composition (regarding the art of cooking), (11) *Kitab al-Asyribah* (regarding drinks),

²¹ Nata, *Pemikiran Para Tokoh*, 6.

²² Miskawaih Abdurahman Badawi, *History of Muslim Philosophy*, ed. Mian Mohammad Sharif (Wiesbaden: Otto Harrossowiz, 1963), 469.

(12) *Tahzib al-Akhlaq* (regarding morality), (13) *Risalah fi al-Ladzzat wa-Alam fi Jauhar al-Nafs* (text in Istanbul, Raghīb Majmu'an no. 1463, sheets 57a-59a). (14) *Ajwibah wa As'ilah fi al-Nafs wa-Aql* (in the majmu'ah above in the raghib majmu'ah in Istanbul). (15) *Al- Answer fi al-Masa'il al-Tsalats* (text in teheren, Fihrist Maktabat al-Majlis, II no. 634 (31). (16) *Treatise fi answer fi su'al Ali bin Muhammad Abu Hayyan al - shufi fi Haqiqat al-Aql* (Mashhad library in iran, I no 43 (137). (17) *Thaharat al-Nafs* (manuscript in Koprulu Isntanbul no 7667) Muhammad. Baqir Ibn Zain al-Abidin al-Hawanshari said that also wrote several short treatises in Persian (Raudhat al-Jannah, Tehran, 1287 H/1870 M p. 70). Regarding the order of his works we only know from Miskawaih himself that *al-Fauz al-Akbar* was written after *al-Fauz al-Asghar and Tahzib al-Akhlaq* is written after the order of *al-Sa'adah*.²³

Ibn Miskawaih's Thoughts

Similar to other Islamic figures, Ibn 's thoughts Miskawaih is also very useful for humans in general and Muslims in particular. Among his thoughts are: Metaphysics.²⁴

a. Theologis

God according to Ibn Miskawaih is a substance that does not massive, Azali, and creator. God is one in all aspects. He is not divided and does not contain plurality and is not one equal to Him. There is without being held and there is Him not dependent on others, while others need him. At a glance, the thoughts of Ibn Miskawaih are the same as Al-kindī's thinking. It appears that God According to Ibn Miskawaih, is a substance that has no form, eternal and creator.

One God is all aspects. God does not share because there is no plurality and none is equal to Him. God exists without being, and His existence does not depend on others, while others need Him. In order to prove the existence of God, Ibn Miskawaih does not take Aristotle's thinking as practiced by previous philosophers. God according to him is the first mover who does not move and the creator who does not change

²³ Musa, *Falsafah Al-Akhlaq Fi Al-Islam*.

²⁴ Sirajuddin, *Filsafat Islam, Filosofis Dan Filsafatnya* (Jakarta: Rajawali Pers, 2012), 129.

because of it. It is God who is absolutely free from matter, is absolutely unchanging, and it is God's perfect freedom from materiality that makes it impossible for us to describe Him in any terms, except with negative symbols.²⁵

God can be known as a negative proposition, and cannot be known as a positive proposition, because doing a positive proposition means equating God with nature. God, for Ibn Miskawai, is a clear substance and an obscure substance. It is said to be a clear substance because God is the one whose haq (true) means light.

According to Ibn Miskawaih, the first entity that emanates from God is "Aql Fa'al" (Active Intellect). This Active Intellect is without any intermediary, eternal, perfect, and changing. From this Active Intellect arises the soul and through the intercession of the soul also arises the planet (alfalak). Continuous radiance of God can maintain order in this world, if the radiance of God is meant to stop, then existence and life in this world will end.

b. Prophetic

As for the problem of prophet hood, it seems that there is no difference of opinion between Ibn Miskawaih and Al-Farabi in minimizing the difference between the Prophet and the philosopher, as well as to strengthen the relationship between reason and revelation. All humans need the Prophet as a source of information to know the commendable virtues in practical life. Prophets are carriers of holy teachings from God.²⁶

According to Ibn Miskawaih, the Prophet is a chosen human being who gets the essence of truth, because of the influence of the Active Intellect on his imagination. The same essence is obtained by philosophers. The difference lies in how to get it. Philosophers obtain truth from the bottom up, namely from the senses up to the imagination, and up again to the thinking power so that they can relate and grasp the

²⁵ Muhammad Iqbal, *Metafisika Persia, Suatu Sumbangan Untuk Sejarah Filsafat Islam*, ed. Joebaar Ayoeb (Bandung: Mizan, 1990), 53–54.

²⁶ Muhammad Yusuf Musa, *Bain Al-Din Wa Al-Falsafah* (Kairo: Dar al Ma'arif, 1971), 70.

essence of truth from the Active Intellect. Meanwhile, the Prophets get it directly from the Active Intellect as God's grace.²⁷

So, the source of truth obtained by the Prophet and the philosopher is the same, namely the Active Intellect. This thinking is in line with Al Farabi. Because the truth is one, both to the Prophet and to the philosopher, the first to accept and follow what the Prophet brought was the philosopher. The Prophet brought teachings that did not conflict with reason. Humans need to bring to the Prophet teachings that do not contradict useful things that can lead to happiness in this world and the hereafter.

c. Moral

According to Ibn Miskawaih, morality is a mental attitude that contains the impetus to act without thinking and consideration. This mental attitude is divided into two, some from character and some from habit and practice. Thus, it is very important to uphold the right and healthy morals because such a basis will give birth to good deeds without difficulty. Praiseworthy morality as a manifestation of character is not often found. The most found among humans are those who have, less commendable traits, because of their character.²⁸

Therefore habits or practices and education can help a person to have these commendable qualities; it should also lead people to despicable qualities. Ibn Miskawayh rejected the opinion as a Greek thinker who said that morals derived from character cannot be changed. Ibn Miskawaih emphasized the possibility of moral change, especially through education. Thus, it is found that in the community there are people who have morals who are close to angels and some are closer to animals. Ibn Miskawaih argues that man is a microcosm in which there are similarities with what is contained in the microcosmos. The five senses possessed by humans, in addition to having distinctive powers, also have shared senses that act as a binder of fellow senses.²⁹

²⁷ Ibrahim Madkur, *Fi Falsafat Al-Islamiyyat Wa Manhaj Wa Tarbiqih* (Kairo: Dar al Ma'arif, 1968), 87–88.

²⁸ Hasyimayah Nasution, *Filsafat Islam* (Jakarta: Gaya Media Pratama, 1999), 70.

²⁹ Musa, *Bain Al-Din Wa Al-Falsafah*, 55.

Then this power shifts to the level of imagination which is located in the front of the brain. From the imagination, it rises to the power of thought so that it can connect with the Active Intellect to know things that are Divine. Given the importance of moral development, Ibn Miskawaih gave great attention to the education of children. Mention that childhood is a link between animal souls and intelligent human souls. In the child's soul ends the animal horizon and the human horizon begins. Therefore, children must be educated in noble character by adjusting their plans according to the order of the forces that they desire, children are educated in the manners of eating, drinking, and dressing, and others.³⁰

Then the nature of courage, self-control is applied to direct the power of anger. Then the thinking power is trained by reasoning, so that the mind can eventually master all behavior. As for Ibn Miskawaih's thoughts on history, it is philosophical, scientific, and critical. According to him, history is not just a narrative that only reveals the existence of kings and entertains them, but furthermore is a reflection of the political structure, community economy at a certain time, or it can be said that history is nations or countries about the ebb and flow of their culture. History not only collects past facts into an organic unit, but also determines the form of something that will come.

d. Soul

The soul according to Ibn Miskawaih is an eternal spiritual substance, not destroyed by the death of the body. Happiness and misery in the hereafter will only be experienced by the soul. The soul is immaterial because it is different from the material body. Regarding the difference between the soul and the body, Ibn Miskawaih put forward arguments. The soul has three powers, namely the power of thinking, the power of courage, and the power of desire. Each of the three powers gives birth to the qualities of virtue, namely wisdom, courage, and simplicity.

The alignment of the three virtues will result in the policy resulting in a fourth policy, namely fairness. There are seven kinds of wisdom, sharp in thinking, quick in thinking, clear in understanding, sufficient

³⁰ Hana al-Fahuri dan Khalil Al-Jarr, *Tarkh Al-Falsafah Al-Arabiyyah* (Beirut: Muassasat li al-Thaba'ah wa al-Nasyr, 1963), 366.

certainty, careful in seeing differences, strong memory, and able to express. Courage has eleven qualities, generous, patient, noble, steadfast, serene, majestic, brave, hard-hearted, friendly, passionate, and compassionate. There are twelve simplicity, shame, kindness, justice, peace, self-control, patient, calm, pious, orderly, honest, and independent.³¹

The last statement above was intended by Ibn Miskawaih to break the materialist view that negates the soul for humans. It turns out that Ibn Miskawaih succeeded in proving the existence of a soul in humans with arguments like the one above. However, the soul cannot be material, even if it resides in matter because matter takes only one form at a time. In another agreement, Ibn Miskawaih also distinguishes between knowledge of the soul and knowledge.

Islamic Economic Thought of Ibn Miskawaih

Before humans discovered money as a medium of exchange, the economy was carried out using a barter system, namely goods were exchanged for goods or goods for services. According to Shah Wali Allah ad-Dahlawy, (a great scholar from India who lived in the 18th century AD), in the primitive stage or jungle life, humans have made barter exchanges and have collaborated to meet their needs. This barter system is the first known system in the history of world trade. This happened long before the VII century AD (before the time of the Prophet Muhammad). In ancient history, livestock was the dominant medium of exchange. However, in this case, a problem (obstacles) arises because livestock are goods that are not durable and too large to be used as a medium of exchange.

According to Agustianto, the barter system faces many obstacles in trading and business activities. The obstacles include, first, it is difficult to find the desired person. Second, it is difficult to determine the value of the goods to be exchanged for the desired goods. Third, it is difficult to find people who are willing to exchange their goods for the services they have or vice versa. Fourth, it is difficult to find needs that will be exchanged at a fast time according to desires. That is, to obtain the desired

³¹ Ahmmad Daudy, *Kuliah Filsafat Islam* (Jakarta: Bulan Bintang, 1986), 61.

item, sometimes takes a relatively long time. Without currency as a standard of price and medium of exchange, the process of fulfilling human needs becomes difficult. In the barter economy, transactions occur when both parties have two needs at once, namely the first party needs goods owned by the second party and vice versa. For example, a person has some grain, and needs a camel which he does not have. Others have camels and need grain. So, there was barter. However, in this case, how much grain will be exchanged for a camel, the size is not clear, there must be a standard.³²

According to Thahir Abdul Muhsin Sulaiman in the book 'Ilajul Musykilah Al-Iqtishadiyah bil Islam, in measuring the price of goods to be exchanged, there must be a standard (size). In the above case, it is difficult to determine how much grain for a camel, likewise if someone buys a house with clothes, or a slave with shoes, or flour with a donkey. The process of such a barter transaction is felt to be very difficult, because there is no clear measure of the price of an item. If this continues, the economy will stagnate and stagnate. To facilitate this condition, Allah created dinars and dirhams as judges and measures the price of an item. For example, a camel is equal to one hundred dinars, a goat is 20 dinars, a bushel of wheat is 1 dirham, and so on.

To overcome various obstacles in barter transactions, humans then use more effective and efficient tools. The medium of exchange was money which initially consisted of gold (dinar), silver (dirham). Thus valuable commodities such as livestock were replaced with metals, such as gold or silver. This precious metal has advantages; first, metal is a durable item. Second, it can be broken down into smaller units. Third, gold (dinar) and silver (dirham) coins are always in accordance with their intrinsic value and nominal value. So that the economy is more stable and inflation can be controlled. This is very different from paper money whose nominal value is not balanced with its intrinsic value (material value). This system is prone to crisis shocks and prone to inflation.³³

³² Agustianto, *Percikan Pemikiran Ekonomi Islam* (Bandung: Cipta Pustaka Media, 2002), 97.

³³ Agustianto, "Konsep Uang Dalam Islam," *alhikmah.ac.id*, 2013, <https://www.alhikmah.ac.id/konsep-islam-dalam-islam/>.

Ibn Miskawaih's pattern of thought was inspired by many Greek philosophers, especially in psychology, as expressed by MM Sharif that Ibn Miskawaih's psychology rests on the traditional spiritualistic teachings of Plato and Aristotle with Platonic tendencies, so it can be ascertained that by inheriting the mindset of these two figures, Ibn Miskawaih also views that human reason (thinking power) has an important role to make humans in a more noble position. Based on this thinking power, humans can also distinguish between right and wrong, as well as good and bad. And the most perfect human beings are those who have the most correct way of thinking and the noblest in their efforts and actions.³⁴

According to Ibn Miskawaih, humans consist of two substances; firstly the substance in the form of the body (*al-jism*) as material insight, and secondly the soul (*al-nafs*) the dimensionless substance as immaterial insight and this is the essence of man. The soul is not a body, is not part of the body, nor is it a state in the body, but something else with the body, both in terms of substance, judgment, characteristics and behavior.³⁵

Meanwhile, thought in the field of Islamic Economics, Ibn Miskawaih in his book, *Tahdib Al-Akhlaq*, has many opinions at the level of ethical philosophy in an effort to synthesize Aristotle's views with Islamic teachings. He discussed the exchange of goods and services and the role of money. According to him, humans are social beings who need each other to meet the needs of goods and services. Therefore, humans will exchange goods and services with appropriate compensation (*riward, al-mukafad al-munasibah*). Humans act as assessors and balancers (*al-muqawwim al-musawwi baynahuma*) in exchange so as to create justice. He also discussed a lot about the advantages of gold coins (*dinars*) which are widely accepted and become substitutes (*mu'awwid*) for all types of goods and services, this is because gold is a metal that is durable, easy to carry, not easy to imitate, popular, and desired by many

³⁴ Jalaluddin and Usman Said, *Filsafat Pendidikan Islam , Konsep Dan Perkembangan Pemikirannya* (Jakarta: Raja Grafindo Persada, 1996), 135.

³⁵ Ramli, 'Pendidikan Dan Ilmu Pengetahuan Dalam Upaya Mencari Format Pendidikan Yang Islami (Kajian Pemikiran Ibnu Miskawaih)', *El-Furqinia*, 10 (1) (2015).

people.³⁶

a. The concept of the exchange of goods according to Ibn Miskawaih

Ibn Miskawaih in his book *Tahdib al Akhlaq* argues a lot at the level of ethical philosophy in an effort to synthesize Aristotle's views with Islamic teachings. He discussed a lot about the exchange of goods and services and the role of money. According to him, humans are social creatures who most need each other to meet the needs of goods and services. Therefore, humans will exchange goods and services with appropriate compensation (reward, *almukafat al-mukafat almunasihab*).³⁷ He is wise enough to realize that measuring with the size of money is not perfect. Thus, it becomes important for the authorities to intervene with reasons to ensure justice between the parties to the transaction.

For example, if a shoemaker uses the services of a painter and he provides his own services, this will be a reward if the work of the two is balanced. In this case the dinar will be an assessment and balance between the two. He emphasized that metals that can be used as currency are metals that can be universally accepted through conventions, namely durable, easy to carry, not damaged, desired by people and the fact that people like them.³⁸

b. The Concept of Role and Exchange according to Ibn Miskawaih

In ancient time, people traded in many parts of the world using the barter system. That was the system of exchanging goods for goods or goods with services that aim to meet needs. But in its implementation there were several obstacles and problems. Therefore, to overcome the obstacles and problems that occur, it was thought to use a more efficient and effective medium of exchange. Simple doesn't complicate but still has value. This medium of exchange became known as money, but in this day and age, money no longer functions as a medium of exchange but also has

³⁶ Karim, *Sejarah Pemikiran Ekonomi Islam*.

³⁷ Nur Chamid, *Jejak Langkah Sejarah Pemikiran Ekonomi Islam* (Yogyakarta: Pustaka Pelajar, 2017), 215.

³⁸ Annisa Silvi Kusumastuti and Syamsuri, 'Konsep Pertukaran Dan Peranan.

other functions.³⁹

After discussing the origin of money, we will now discuss Ibn Miskawaih's thoughts on the role of money. According to Ibn Miskawaih, in exchanging money, it will act as an assessment and balancing tool (*al-muqawwim almusawwi baynahuma*) in exchange, so that justice can be created. Because actually the Prophet forbade exchange if the value is not the same because it can cause losses, namely one party wins and the other party loses. Or it can also create a usury gap between the two perpetrators.

In addition, he also discussed the advantages of gold money (*dinar*) which was widely accepted and became a substitute (*mu'awwid*) for all types of goods and services. This is because gold is a metal that is durable, easy to carry (convenience), incorruptible (incorruptible), desired by many people (desirable), and people like to see it.⁴⁰

In history, gold and silver were chosen as money that has a durable commodity. The type of money that has intrinsic is called full bodied money or also commodity money. And nowadays this system is growing into paper money backed by gold and silver (gold reserve standard). According to Islamic economists, this gold-based system is considered more fair and capable of being a control for the government to print money according to the available gold value.⁴¹

Also the intent of Ibn Miskawaih's thought is that he also explained that money is the subject of justice. He saw that gold became universally acceptable. The good qualities of a particular metal: durability, portability, incorruptibility, desirable by people and the fact that people love to see it. In fact, many of the thoughts of Muslim economists preceded the emergence of conventional thought, and also many theories that were previously described by Muslim economists. This proves that Muslim thinkers or contributions have already existed and are thought to be more

³⁹ Andri Soemitra, *Bank Dan Lembaga Keuangan Syariah* (Jakarta: Kencana, 2009), 1.

⁴⁰ Nur Chamid, *Jejak Langkah Sejarah*.

⁴¹ Andri Soemitra, *Bank Dan Lembaga*.

advanced than conventional thinking.⁴²

Conclusion

From the results of the discussion on Ibn Miskawaih's Islamic economic thought (a study of the concept of exchange and the role of money according to Ibn Miskawaih), the following conclusions are drawn: *First*, His full name is Abu Ali Ahmad Ibn Muhammad Ibn Ya'qub Ibn Miskawaih. He was born in the city of Ray (Iran) in 320 H (932 AD) and died in Asfahan on 9 safar 421 H (16 February 1030 AD). He studied history with Abu Bakr Ahmad Ibn Kamil al-Qadhi (350/960) on the book *Tarikh al-Thaba ri*, and studied philosophy with Ibn al-khammar, a well-known commentator on Aristotelian philosophy. *Second*, In the field of education, Ibn Miskawaih studied history from Abu Bakr Ahmad Ibn Kamil al-Qadhi, studied philosophy from Ibn al-Akhmar, and studied chemistry from Abu Tayyib. Because of his expertise in various sciences, Iqbal classifies him as the most famous Persian thinker, moralist and historian. Meanwhile, there are 41 works written by Ibn Miskawaih from various disciplines. *Third*, Thoughts in the field of Islamic Economics Ibn Miskawayh discusses the exchange of goods and services and the role of money. According to him, humans are social beings who need each other to meet the needs of goods and services. Therefore, humans will exchange goods and services with appropriate compensation (riward, al-mukafad al-munasibah). Humans act as assessors and balancers (al-muqawwim al-musawwi baynahuma) in exchange so as to create justice. Ibn Miskawaih also discussed the advantages of gold coins (dinar) which are widely accepted and become substitutes (mu'awwid) for all types of goods and services, this is because gold is a metal that is durable, easy to carry, not easy to imitate, desired and loved by many people.

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⁴² Annisa Silvi Kusumastuti and Syamsuri, 'Konsep Pertukaran Dan Peranan.

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