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Early Economic Thought and The Dynamics of Economic Thought

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ABSTRACT

This research aims to explore the history of the development and dynamics of economic thought, especially in the context of Islamic economics. The research was conducted using qualitative, descriptive and historiographic methods. Data were obtained through literature studies sourced from primary sources such as the Quran and Hadith, as well as secondary sources in the form of academic articles and previous research. This research identifies three main approaches that influence the development of Islamic economic thought, namely: (1) the legal approach, where classical scholars focused on legal aspects such as usury, zakat and the banking system; (2) the rational-critical approach where a number of researchers relied directly on the analysis of direct data on economic and social issues; (3) the dominant attitude of Muslim scholars towards Western economic science. The contributions of classical scholars include in-depth studies of fundamental concepts of Islamic economics such as riba, zakat, waqf, and interest-free financial systems. At the same time, modernist scholars criticized classical thinking and offered new explanations for contemporary economic problems. The mainstream approach has enriched empirical and theoretical research on Islamic economics. This study concludes that Islamic economic thought must remain grounded in its primary sources, the Quran and Hadith, while remaining open to new interpretations within the confines of Islamic teachings. Islamic economics is considered a dynamic system that continues to develop and adapt to changes in society, the needs of society, and the challenges of the times. This research is expected to provide a comprehensive understanding of the historical roots, theoretical foundations and prospects of Islamic economics in the future.

Keywords: *Economic; Hadith; Islamic; Qur'an; Thought*

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INTRODUCTION

Economics is generally concerned with human behavior in acquiring, distributing, and consuming goods and services. The science of economics originated from the economic practices of society, long before economic theories themselves emerged.

Economics evolved historically from many human thoughts and ideas. Economic thinking is the accumulation of human knowledge in an effort to solve economic problems. In the beginning, economic thought emerged from people's efforts to find solutions to the economic problems they faced. Thus, economic practices existed long before economic theories emerged. The economic world has now experienced polarization of the two forces of the economic system, namely the conventional economic system and the Islamic economic system. Islamic economics is a social science that studies the economic problems of society inspired by Islamic values. This definition can be concluded that Islamic economics not only studies social individuals but also humans with human religious talent itself. This is due to the large number of needs and lack of advice, so economic problems arise, both in modern economics and in Islamic economics (Estiana et al, 2022). the conventional economic system was formed by western economists by starting a study of the history of economic thought from ancient Greece, then continuing with the thoughts of scholastic figures centuries later. This left a considerable gap in the history of economic thought. The 'Great Gap' thesis was first expressed by Schumpeter in his book *History of Economic Analysis* (1954). In fact, at the same time, it was the era of the glory of Islam where science and science experienced rapid development.

Islamic economics is an integral part of the teachings of Islam. Islamic economics believes that God has created the universe, humans, and life, and provides guidelines and instructions for life through the Al-Quran and Al-Sunnah. This is intended to ensure the creation of harmony of life and social harmony of mankind (Sirajuddin & Tamsir, 2019). The economic science that we know today has a long history, basically Islamic economic thought has existed since the birth of Islam itself. Throughout the fourteen centuries of Islamic history, there has been a continuity of works and thoughts on various economic issues discussed in the study of Islamic law. Economic thought and tradition in line with Islamic values has been run since the time of the Prophet Muhammad and the Khulafaur Rashidin in the 7th century AD. At that time, science had not yet developed rapidly, so the Koran and Sunnah became the main source in regulating life, including the economy. The principles of Islamic economics have been applied since those early days of Islam. As the emerging social sciences began to enter university curricula in the Muslim world, literature and works on moral philosophy and historiography received attention. Muslim scholars began to search for the legacy of Islamic thought in these fields. Some orientalists also paid special attention to the political and economic thought of early Muslim scholars. They studied the contribution of classical Islamic economic and political thought that had developed during the heyday of Islamic civilization in the past. For this reason, this article attempts to describe and analyze the early history of Islamic and conventional economics and its development.

METHODS

This paper is studied using a qualitative descriptive method using a historiographic approach that focuses on historical studies and historical sources. Historiography is the process of compiling historical facts that have been filtered and critically analyzed into a systematic writing. Through this process, the author hopes to produce a good and scientific paper, which has academic value. Historiography is the final stage in historical writing which aims to reconstruct the totality of past events as a

whole in accordance with what actually happened. By interpreting and synthesizing historical data and facts, historiography seeks to rebuild a series of events in the past as a whole based on scientific principles and objectivity.

RESULT AND DISCUSSION

Early Economic Thought

1. History of Islamic Economics

For a long time, writers on the history of economic thought have tended to ignore the contributions of Muslim scholars. They start the history of economic thought with Greek philosophers and Roman jurists and administrators. They also mention the thoughts of some Christian priests at the beginning of the Scholastic era. However, the contribution of the economic thought of Muslim scholars is ignored in writing the history of conventional economic thought (Qoyyum et al., 2021). The life of Muslims in the past was still very simple, but its prosperity is still felt today in this modern era. The stories of economic prosperity in the golden age of Islam are still interesting to learn and convey in the present era. The Khulafaur Rashidin, Umayyah, Abbasiyah, and so on left a golden legacy of Islamic civilization. The division of periods in that era is important to know in order to contribute to spreading the teachings of Islam, especially in the economic field (Yunus, 2023). Looking at historical facts, Islamic thought is as old as Islam itself. In a study conducted by Mudhiiah (2015) stated that since the Prophet practiced the economic system in the community of Medina at that time, the practice of Islamic economics began. The economic practices that the Prophet had pioneered were then continued by the Muslim generation after him until now. The life of the Prophet and the Muslim community in his time is the best example of the application of Islamic teachings, including in the economic field. During the time in Makkah, the Muslim community had not had time to build an economy because they were busy defending themselves from the intimidation of the Quraysh tribe. Only after moving to Medina, the Prophet built the people of Medina into a prosperous and civilized society. Although the economy at the time of the Prophet was relatively simple, he had shown the basic principles of good economic management, such as justice, honesty, prohibition of usury, zakat, and others. The economic society during the Prophet's time became an ideal model for the application of Islamic economics (Fauzan, 2019). During 14 centuries of Islamic history, Islamic economics has also always been studied through the perspective of sharia and muamalah. Most of the discussions on Islamic economics are only contained in the literature of Quranic interpretation, hadith commentaries, ushul fiqh, and fiqh law. Thus, since the time of the Prophet, Islamic economics has been practiced and developed by Muslims from generation to generation based on the Quran and Hadith.

Although not a treatise on economics, the Qur'an is considered the first Islamic work on economic ethics. For Muslims, it is also the fundamental conceptual reference for any thinking about a communal way of life that extends to the cultural and social level. Muslim scientists take the economic teachings of the Qur'an and Sunnah as a basis and starting point. Then they use their own intellect and apply the principles derived from the basic sources of Islam to solve problems that arise in historical and economic conditions that are constantly changing and continue throughout the history of Islam (Qoyyum et al., 2021). In brief, the development of Islamic economic thought begins with

the revelation of the verses of the Qur'an about the economy which was then practiced by the Prophet and his companions until the Islamic daulahs. This development stopped due to the dichotomy between religion and science during the decline of Islamic thought (*taqlid*). This is exacerbated by the dominance of the economic systems of Capitalism and Socialism due to Western colonialism and the neglect of the contributions of Islamic civilization by Western scholars in their economic textbooks. As a result, the ability of Islamic economics is considered irrelevant in answering contemporary economic problems (Aravik, 2018). The development of modern Islamic economics in the international realm began in the 1970s, which was marked by the holding of the first International Conference on Islamic Economics and Finance in Jeddah. This international conference brought together contemporary Islamic economists from around the world for the first time in history. The presence of Islamic economists marked the emergence of modern Islamic economics globally. Since the conference, Islamic economic discourse and research began to grow rapidly at the global level, beyond the borders of Muslim countries. So the decade of the 1970s was a new chapter for the birth of modern Islamic economics on the map of world economic thought (Istiqomah & Zulaikhah, 2019).

In the research written by Marasabessy (2016) divides classical Islamic thought in four phases, namely: (1) Early Phase/Development Phase (Century VI-XI AD), where in this phase is known as the basic phase of Islamic economics, because it refers to the Qur'an and hadith and is oriented to the problem of utility (*maslahah*) and disutility (*mafsadah*). (2) Phase II/Brilliant Phase (AD XI-XV), In this phase the Muslim community left a rich intellectual heritage in the field of Islamic economics. Muslim scholars succeeded in compiling a comprehensive concept of Sharia economics based on the Quran and Hadith. Meanwhile, the Abbasid decline occurred due to widespread corruption among the rulers. (3) Phase III/Phase of Decline (AD XV-XX), the phase when the door to *ijtihad* was closed. The phase in which the call to be based on the Qur'an and hadith began again. (4) Phase IV/Institutionalization Period, where rebuilding in modern times has been born economic thinkers whose thoughts become a reference for Islamic economic activities. The division explained by Siddiqi in Wahyu & Irawan (2020) states that there are four phases in the development of Islamic economic thought, namely: (1) The first/foundation period (early Islam-450 H/1058 AD). (2) The second period (450-850 H/1058-1446 AD), during this period many economic thoughts were motivated by rampant corruption and moral decline. In addition, there was an increasing gap between the poor and the rich, although in general the economy of the Muslim community at that time was in a prosperous condition. During this period, a number of great Muslim thinkers emerged whose works are widely referenced today. (3) The third period (850-1350 AH/1446-1932 AD) was the heyday of thought. (4) The last period is the contemporary period (1930- present). This is the period in the development of Islamic economic thought from the early days of Islam to the present which continues to evolve in accordance with the conditions and needs in trade.

One thing that is often overlooked in the study of the history of economic thought is the contribution of Muslim scholars who are rarely recognized by Western academics. This is because Western economic thinkers do not explicitly mention their references from classical works of Islamic scholarship. Joseph Schumpeter calls this the "Great Gap" in the 500-year history of economic thought. According to him, economic thought first appeared in the 4th century BC and only revived in the 13th century AD through Thomas Aquinas of the Scholastic school. The contribution of Islamic economic thought between

that period was ignored in the history of Western economic thought (Yafiz & Sukiati, 2017). Among the scholars writing on Islamic economics, only a few are truly professional economists. Even so, these writings reveal that there has been continuity in Islamic economic thought with some distinctive features. Examining the thoughts of previous Muslim economists is very important in order to develop Islamic economics. Because, their thoughts have been successfully contextualized and actualized by Muslims in their time to form a civilization in the economic field. By examining the thoughts of classical Muslim economists, it is possible to gain a better understanding of the history of Islamic economic thought. This can enrich the treasures of contemporary Islamic economics, and open wider opportunities for the conceptualization and application of Islamic economics in the present (Fitriyah, 2016).

2. History of Conventional Economics

Western economics, as it is known today, began to take shape in Western Europe during the 18th century. Conventional economics is basically an economic system that is widely applied by various countries in the world. Conventional economics is an economic system that gives freedom to the people to carry out economic activities, where the government may interfere or not in controlling the economic activities of its people. So, conventional economics gives freedom to the community to carry out economic activities and the government can interfere or not in regulating the economic activities of the community. Conventional Economics is divided into two, namely the economy of capitalism and the economy of socialism (Reni et al., 2022).

The capitalist economic system is characterized by private property rights over the means of production, distribution, and utilization for profit in a competitive situation. This system is built on the thoughts of Adam Smith, a classical economic figure who is considered the father of modern economics. Smith advocated free markets and perfect competition as the foundation of capitalism. His ideas on the invisible hand, self-interest, and laissez-faire became the foundation for the capitalist economic system that gives a large role to market mechanisms and individual initiative in achieving economic prosperity. So in essence, capitalism was born from the ideas of Adam Smith and the classical school of economics that emphasized private property rights, competition, and free market mechanisms (Tho'in, 2015). Historically, the development of capitalism is part of the individualism movement. The history of capitalism cannot be separated from Europe as its birthplace and development. The year 1648, marked by the Treaty of Westphalia, is considered the birth of the modern state system. This treaty ended the Thirty Years' War between Catholics and Protestants in Europe and established a system of independent states based on the concept of sovereignty that rejected the political power of the Pope and the Roman Catholic Church. This was the beginning of secularism where the rules of life were released from the church and turned to the state with the assumption that it was the state that best knew the needs of its citizens so it had the right to make rules. Religion is recognized but limited to the personal affairs of humans with their God (Maruta, 2014). The basic principle of secularism is to place humans (state/kingdom) as rule or law makers. The next issue is who is authorized to make rules to ensure a peaceful and stable life. In fact, until the 19th century Europe was dominated by kingdoms led by emperors, kings and aristocrats. At that time, the political role of the people was minimal or non-existent. The people passively obeyed the king and his laws, without getting involved in the political process. It turned out that the king could not fulfill the interests of the people fairly and equitably (Khaer, 2014).

According to Dudley Dillard in Huda (2016), the history of capitalism goes through three phases, namely early capitalism, classical capitalism, and advanced capitalism. Early capitalism (1500-1750) began with the emergence of market institutions in the 16th century and continued with the development of long-distance trade between the centers of world capitalism. In the late medieval period (16th-18th centuries), industry in Britain concentrated on the clothing industry. The British clothing industry became the largest in Europe at that time and then continued to shipping, warehousing, raw materials, finished goods and various other forms of wealth which later turned into an expansion of production capacity Classical capitalism (1750-1914), the phase in which capitalism began to enter and was a shift from public trade to the industrial field marked by the Industrial Revolution in England where many large machines began to be invented which were very useful for supporting industry. Advanced capitalism (1914-present), the major event that marked this phase was the onset of World War I.

Capitalism, which was born from the thinking of feudal society, has now become a powerful weapon for developed countries to advance their economies. On the other hand, capitalism has also killed the economies of developing or poor countries. The concept of capitalism that has gone global is indeed difficult to avoid by developed countries and third world countries. Without realizing it, capitalism has become a major threat to developing countries. Capitalism has turned into neo-imperialism, a new form of colonization with a more modern concept (Huda, 2016). The implementation of the capitalist economic system has caused negative impacts such as mass layoffs, company bankruptcies, high unemployment, and the global financial crisis. The failure of this system triggered the Great Depression which then opened the opportunity for John Maynard Keynes' economic ideas to run a new economic system pioneered by Karl Marx. He criticized the free market and offered government intervention for economic stabilization (Anggraeni et al., 2022).

The economic thought of socialism is an economic system that aims to achieve the goal of shared prosperity, the economic philosophy of socialism is an economic system that studies the branch of science for how to achieve shared prosperity, it can be seen the characteristics of this economic system, namely, state ownership of property (the government intervenes in terms of economic development of a country), the existence of economic equality, and political discipline. The socialism economic system was implemented by several countries, namely the Soviet Union, Eastern Europe, China, and Indochina countries, which in this case means Cambodia (Reni et al, 2022). In the socialist system, the ability to evaluate the internal weaknesses of the system gave birth to many figures and thoughts in this system. Beginning with the views of Karl Heindrich Marx (1818-1883) who was against Adam Smith's capitalist thinking which he considered had brought injustice and created social problems that were contained in real terms in the theory of dialectical materialism, historical materialism and *das kapital*. the term socialism emerged from the upheaval of industrial workers and farm workers in the 19th and 20th centuries. Socialism is based on the principle of solidarity and strives for an egalitarian society, where the economic system serves the interests of the majority of the people, not just a handful of elites. According to Marxism, the idea of socialism has existed since the beginning of human civilization, in line with the basic nature of humans as social beings (Maruta, 2014). Furthermore, Karl Marx's thoughts were developed by Althusser with his structuralism theory, Antonio Gramsci with his hegemony theory, Samir Amin and Andre Grunder Frank with their dependency theory and so on (Ghofur 2010). In socialist systems, a sense of community (collectivism) is very prominent. The

extreme form of collectivism is communism. Economic decision-making is designed, planned and controlled entirely by the central government. This system that organizes everything is called a "Command Economy". Because the state has absolute power, communist economic systems are also called "Totalitarian economic systems". Another term used is "anarchism" which refers to a system in which the government does not impose policies, but rather gives freedom to individual associations in the social system (Itang & Daenuri, 2017).

The socialist economic system developed by Karl Marx requires a maximum role for the state. The state must control all sectors of the economy to ensure justice for the people, from production, consumption, to redistribution to workers so that they also enjoy the fruits of their labor. According to the socialist view, the market must be maintained so that it does not fall into the hands of greedy capital owners resulting in monopoly and exploitation of labor for maximum profit. Therefore, balance will never be achieved and injustice will occur in the society's economy. The state must play a significant role in realizing balance, equality and economic justice in the market (Parakkasi & Kamiruddin, 2018). According to Maruta (2014), Karl Marx's theories provided great inspiration for the critical mass of the time. Ultimately, Vladimir Lenin founded the first communist state, the Soviet Union, through a bloody revolution that overthrew Tsarist rule. As a leading communist ideologue, Lenin laid the foundation of communist rule with an iron fist. Lenin's spirit of resistance was followed by other communist regimes. Millions of people died as a result of their authoritarian rule. The ideals of socialism to abolish the oppression of capitalism were replaced with more horrific communist-style oppression. This absolute centralization of power gave birth to the slogan "the state is me". In its development, various variants of socialist thought emerged. In brief, Marx's theory inspired Lenin to establish the Soviet Union, the first communist state. This authoritarian communist government oppressed the people, contrary to the ideals of socialism. Later, other variants of socialism emerged.

Dynamics of Economic Thought

Economic systems do not appear suddenly, but through a long dialectical process from time to time so that several economic systems are known today. According to modern economic literature, the development of economic systems can be grouped into 6 phases, namely the ancient Greek period, Scholasticism, Mercantilism, Physiocrats, Capitalist / Liberalism, and Socialist / Capitalist.

1. Ancient Greek period

According to Munif (2015) in his research stated that the period of Ancient Greek economic thought began around 400 BC. At this time there were already theories and thoughts about money, interest, services, slave labor and trade, as found in Plato's Republic. However, the discussion of economics was still merged with philosophy and focused more on the utopian society. It should be noted that the Ancient Greeks were already familiar with hedonism, although it was opposed by Plato and Aristotle. This idea later became the forerunner of materialism in Europe in the 17th-18th centuries. So, although economic thought was still simple and mixed with philosophy, the Ancient Greek period had laid the initial foundations of economic thought.

2. The scholastic period

The medieval centuries in Europe were a golden age for Christianity. The pattern of thought during this period received a reaction from the following times, namely the

modern centuries. Starting from the 6th century, the history of philosophy entered a new phase, namely the Scholastic era. Scholasticism refers to philosophers in medieval times (500-1500 AD). Broadly speaking, the history of scholastic thought is divided into three periods. First, the early scholastic period (500-1200 AD) which considered the relationship between ratio and faith and universal concepts. Second, the heyday of scholasticism in the 13th century where thought began to develop into economic theories and philosophy. Thirdly, the late scholastic period (1300-1500 AD) where discussions around ratio versus faith became more prevalent. So Scholasticism begins with the connection of faith and ratio, then develops into economics and philosophy, until the nuances of the ratio versus faith debate. In short, Scholasticism is Medieval philosophy that began to discuss economic thought (Faruq & Mulyanto, 2017).

3. The Age of Mercantilism

The 17th century saw rapid progress in the organization of economic and trade activities. Mercantilism emerged, which comes from the word merchant. According to this notion, every country must conduct international trade to develop. The source of the country's wealth was derived from foreign trade surpluses in the form of gold or silver. Therefore, the policy was to encourage exports and limit imports. At this time, in addition to trade and economy, progress also occurred in economic writing in terms of quantity and quality (Albanjari, 2017). The early period of merchant capitalism or mercantilism is also referred to as trade capitalism. This period is associated with inventions by transnational merchants, especially the British and Dutch, European colonization of the Americas, and the rapid growth of international trade. Under mercantilism, European merchants profited from buying and selling goods with the support of state control, subsidies, and monopolies. The pioneers of mercantilism emphasized the importance of state power and foreign conquest as the main economic policy. In short, mercantilism was an early period of capitalism characterized by the expansion of global trade and the role of the state in helping merchants make profits (Jan, 2016).

4. Physiocratic period

Physiocrats emerged around the 18th century. Unlike Mercantilism, which considered foreign trade as a source of wealth, Physiocrats believed in natural resources as a source of wealth (the antithesis of Mercantilism). Physiocrats believed nature was created in harmony by God. According to Quesnay, farmers were the most productive group, so policies should improve the welfare of farmers, not landowners or traders like Mercantilism. The Physiocrats thought Mercantilism was wrong because it set high taxes that made goods expensive. In short, Physiocrats are the antithesis of Mercantilism, which considers agriculture as the source of the country's wealth (Munif, 2015).

5. Capitalist/liberalist period

Capitalism emerged in Europe in the 16th century. Sociologically, capitalism originated from the struggle against feudalism. Capitalism in Europe emerged from the thinking of scientific people who initially thought of the welfare of the workers. Max Weber in his work *The Protestant Ethic of Spirit Capitalism*, reveals that the emergence of capitalism is closely related to the religious spirit, especially the Protestants. Weber's opinion is supported by Marthin Luther King who said that through better deeds and works humans can save themselves from eternal damnation. Another supporting figure is Benjamin Franklin with his very famous motto "Time Is Money", that humans live to

work hard and cultivate wealth (Huda, 2016). The most influential figure in capitalism was Adam Smith (1723-1790 AD). This understanding is not concerned with trade or agricultural surpluses, it focuses on work (arbeid) and personal interests. If a person is freed to do business, then he must also be freed to regulate his own interests in economic activity. Therefore, the teaching of "laissez aller, laissez passer" (freedom to do and act) is the jargon they promote. Adam Smith also argued that human nature is greedy, greedy and selfish (Munif, 2015).

6. The Age of Socialism

The socialist economic system or communism was developed by Karl Marx as a criticism of capitalism, which was considered to cause economic inequality. In socialism, the government has a major role in controlling the economy. Socialism emerged in the late 18th century after the French Revolution and Industrial Revolution. The principle is that production is not solely determined by the state, but the state must play a comprehensive role in planning, implementing, and monitoring the entire economic chain of society. So in essence, socialism is an economic system with large state intervention as a criticism of capitalism (Anggraeni, 2022).

The Islamic economists who study it in the West and East recognize that Islamic economics has its roots in the early days of the emergence of Islam in the Arabian Peninsula and continues to develop until the peak of Islamic civilization. In the early days of Islam, namely when the Prophet Muhammad received revelation, the Koran and As-Sunnah became the foundation for Islamic economic thought. This period lasted between 610-632 Hijri when the Prophet Muhammad was still alive and received revelation. So the roots of Islamic economic thought have existed since the time of the Prophet Muhammad SAW where the Al-Quran and the Sunnah of the Prophet became the main source, and continued to develop during the heyday of Islamic civilization (Haris, 2016). The emergence of modern Islamic economics in the international arena began in the 1970s through the first International Conference on Islamic Economics and Finance in Jeddah. This conference presented world experts in Islamic economics and has given birth to many theories and applications of Islamic economics and finance in the modern business and banking sectors (Haneef, 2010).

In a study conducted by Salim (2009), it is outlined that the map of thoughts and trends in understanding Islamic economics, according to Siddiqie and Khan, has three major parts, they are:

- a. Juridical approach; Classical Muslim scholars contributed to the study of Islamic economics through a legalistic approach. They discussed the basic concepts of Islamic economics derived from the principles of Islamic teachings, such as the problems of usury, zakat, banking, poverty, and development. So classical Muslim scholars focused on discussing the concept of Islamic economics in terms of law and legality based on Islamic teaching sources.
- b. The modernist approach; Classical Muslim scholars took a rational-critical, not legalistic approach to economic and societal issues directly from the sources of the Quran and Hadith. Through ijthihad, they contributed to the development of more realistic economic thought in accordance with social reality, despite the reaction of those who rejected the methodology.
- c. The approach taken by economic scholars who studied in the West and developed Islamic economic thought through the terms and approaches of "mainstream"

conventional economics (neo-classical approach and Keynesian synthesis). Their analysis uses the techniques of their economic education and training.

The results of a survey of contemporary Islamic economic thought prove that there is a strong tendency for Muslim economists to agree on the basic philosophical basis for the Islamic economic system, which mentions tawhid (oneness of God), worship, khilafah (caliphate), and takaful (cooperation) as the philosophical pillars of the Islamic economic system (Istiqomah & Zulaikhah, 2019) even though they come from the same source. In the Islamic view, the emergence of differences is not something that violates the Sharia, as long as it is intended to seek the pleasure of Allah and use the methods taught by the Prophet, namely based on the Al-Quran and Sunnah. So the diversity of interpretations is considered reasonable as long as it is well-intentioned and remains guided by the main sources of Islamic teachings, namely the Al-Quran and Hadith (Muhammad, 2004).

CONCLUSION

From the results and discussion above, it can be concluded that economic practices have been running long before the birth of all economic theories and systems created by westerners. Economic practices began in the early days of the emergence of Islam in the Arabian Peninsula, where after the Prophet hijrah to Medina which then turned the people of Medina into a prosperous and civilized society even though the economy at that time was relatively simple. The Prophet succeeded in showing the basic principles of good economic management, such as justice, honesty, prohibition of usury, zakat, and others which resulted in the economic society at the time of the Prophet becoming an ideal model for the application of Islamic economics. However, it is unfortunate that the authors of the history of economic thought tend to ignore the contributions of Muslim scholars. They start the history of economic thought from Greek philosophers and Roman jurists and administrators and also mention the thoughts of some Christian priests at the beginning of the Scholastic era which makes the contribution of economic thought of Muslim scholars ignored in writing the history of conventional economic thought. As some research has been done on the history of Islamic thought and deepening the stories of economic prosperity in the golden age of Islam from the time of the Prophet then continued by the Khulafaur Rashidin, Umayyah, Abbasiyah, and so on left a golden legacy of Islamic civilization that is very interesting to learn and convey, and can even be applied as an example of the current economic system model because the conventional economic system that causes some negative impacts in the economic system on the people who apply it.

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