The Balance of Economics and Political Science in Islamic Political Economy

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Abstract. The purpose of this paper is to investigate the balance of economics and political science in Islamic political economy. The economic science here refers to economics value based on Islamic teaching, while political science refers to political value based on Islam. Whereas Islamic political science is a field that evaluates the interaction between the Islamic economy and politics as well as the implication of the influences of one field on the other. Beyond this assessment, between the economic and political value, which one is more influential in Islamic political economy? To date, most scholars are inclined towards the influence of their respective field. For those in economic field, the focus of Islamic political economy is mostly directed towards economic value rather than political value. Similarly, those who are in politics will be more inclined towards the political value rather than economic. Thus, which of the political or economic value should be made priority in Islamic political economy? Based on literature review and textual analysis, this paper will firstly, re-evaluate the issue where it is perceived that Islamic political economy does not necessarily need to focus on both political and economic value; secondly, analyse the extent to which the economic and political values are needed in Islamic political economy; and thirdly, summarise the option between the economic and political value in Islamic political economy in order to achieve a holistic field of study in overcoming problems and presenting solution for the political economy of the Ummah (Islamic nation).

Keywords. Economic Value, Political Value, Islamic Political Economy.

JEL. P47, P26, P16.

1. Introduction

The political and economic needs of a country were often represented negatively. Among these negative representations are oppression, war, violation of human rights, and the monopoly of state revenue. This is due to the imbalance between economic and political action. The politicians were busy in politics that economy was neglected, while the economists were busy focusing on economics that their roles in political activities were affected. As a result, good economic and political values as well as the balance of political economy in a government were lost. On this note, a discussion of political economy based on Islam was born. However, it was still in the context of the old fixation on researchers’ respective field. Some are still focussed on the economic value and some are focussed on the political value. This subject matter was studied using literature review and textual analysis in order to be able to make a choice between the political and economic value in relation to which of the two should be dominant in Islamic political economy (IPE).

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2. The Balance of Economic and Political Science in Islamic Political Economy

Economic has its value for it is considered as an important field in Ummah economic development. Likewise, politic is considered important to strengthen Ummah politic. Due to the importance of these areas, both were then combined into a single field of IPE.

Few attempted to balance economic and political values in IPE. To the author’s knowledge, only two scholars had tried. They are Choudhury (1990; 1992; 1997a; 1997b) and Rosdi (2010; 2013; 2014). Both of these scholars attempted to balance the economic and political values in IPE. For example, Choudhury (1990; 1992; 1997a; 1997b) defined IPE as a science that studies the relationship between a government (shura (Islamic representative democracy)) and the market subsystem. This definition showed that IPE is a balanced economic and political approach. This balance is important in order to educate people and instil acceptance in social and Shariah (Islamic law) institutions that played a role in human behaviour.

In figure 1, as said by Choudhury (1997b), this quranic epistemology is the basic principle of IPE. Ghosh (1997:43) underlined three important characteristics in this quranic epistemology. Firstly, it is an absolute divine epistemology. Secondly, it is a holistic system which not only involved the unity of knowledge but also its continuity; and thirdly, it can be summarised as a dialectic evolutionary process by any Quranic-Sunnatic normative premise that can appear as a synthesis, followed by the Shuratic-ijtihad anti-synthesis that eventually leads to a synthesis on Ijma’-Ahkam stage.

Quranic epistemology was also referred by Choudhury (1997b) as tauhid (Islamic monotheism). According to him, this Quranic epistemology is embedded through universal behaviour. This behaviour is based on interactive and integrative approach in the process of management and institutionalization. It is also referred by Choudhury (1997b) as the shuratic process. To him, shuratic process is also an alternative referred as circular causation and continuity model of unified reality. In simple words, the basis for IPE epistemology is tauhid, and this process emerged as the result of interaction and integration between behaviour and institution. This method is based on the agreement reached through shura.
It can be understood that this system, which required internal integration framework and market, is controlled by constitutional process, also known as shura. From here, IPE is defined as institutional power and socioeconomy that utilises interactive, integrative and evolutionary processes. Its epistemological basis is tauhid. It is explained through the principles and instruments of Shariah law based on shuratic process (Choudhury & Salleh, 1999:585). This is clearly depicted in figure 1.

There are also a number of works that have been written by him. Among them is an article entitled 'Islamic Political Economy in Capitalist-Globalization'. This article was written through collecting and editing a number of articles1 that were produced from researches on issues regarding IPE. The articles were produced by Ghosh (1997:41-56) who wrote about ontology in IPE; Mikailu (1997:191-215) regarding the implication of foreign direct investment of multinational corporate company in Nigeria relating to IPE; Kader & Ariff (1997:261-278) regarding Islamic financial political economy (PE) in Malaysia; Bugaje (1997:399-416) regarding the roles of Islamic movement and PE in Africa; Gusau (1997:417-438) regarding the roles of Islamic political movement in Nigeria in economic development of the country; and Siddiqi (1997:529-534) regarding IPE characteristics and methods.

1 The editing involved Choudhury, Salleh & Abdad (1997).

According to these writings, it was found that the research regarding IPE were still in the preliminary stage. Even the papers in the articles edited by Choudhury, Salleh & Abdad (1997) were mere basic discussions. Therefore, out of all the research papers studied so far, not a single one had written about IPE in depth.

Besides that, there are two studies by Rosdi (2010; 2014). One of them is in regard to the contribution of Burhanudin al-Helmi towards the development of IPE. While another is regarding whether tahaluf siyasi method can be utilised in IPE. In the study regarding the contribution of Burhanudin al-Helmi in IPE, Rosdi (2010) had elaborated IPE by combining two fields of Islamic study which are Islamic economy and politics. As a result, he had constructed an operational definition and a research conceptual framework regarding IPE. To him, IPE is as follow:

“IPE is a combination of the philosophies of Islamic economy and Islamic politics involving socio-political and socioeconomic development, public interest, along with human resource and conflict management. It is conducted based on the concepts of justice and welfare, amar makruf nahi mungkar, ubudiyah and uluhiya as well as the responsibility as the caliph and servant of Allah under the guidance of al-Quran and Hadith. It is also based on the concept of ummah reform aimed for mardhatillah which is achieving al-falah i.e. success in this world and the hereafter.” (Rosdi, 2010:26).

The research conceptual framework is as depicted in figure 2. In the figure, he set the guidance of al-Quran and Hadith as the basic source of reference in IPE. This is in accordance to Islamic research method that obligates the use of al-Quran and Hadith as the main reference in research. The purpose is to ensure that the results of researches are within the limits of Islamic Shariah.
IPE was established as a combination of three fields of study which are Islamic sociology, Islamic economy, and Islamic politics. Because IPE was based upon the combination of these fields, according to Rosdi (2010), IPE is a more comprehensive and holistic field. Out of these three fields too, the characteristics and implementation of IPE was formed. The characteristics are socio-political development, socioeconomic development, balanced community development, public interest, and human resource management. While the implementation included the emphasis on the concept of justice and welfare, amar makruf nahi mungkar, based on the concepts of ‘ubudiyah and uluhiyah, and responsibility as a caliph and servant of Allah. These characteristics and implementations are the factors that differentiate PE and IPE.

The concept of ummah reform is a form of community renewal and revolution that can be seen in economic, politic and social sector. This revolution should be implemented in accordance to Islamic shariah. This implementation of IPE sets an eventual aim towards mardhatillah. This goal is in accordance with the goal of Islamic centric development (Salleh, 2003:81; Salleh, 2009; Ahmad, 2008:120; Hanapi, 2012: 279, 408 & 447; al-Kahfi, 18:110; al-Hajj, 22:7; al-Taubah, 9:72; Riwayat Bukhari, No. Hadith: 6507; Ibn Hajar, 1989:434) since the application of IPE is similar in its foundation which is based on the Islamic epistemology.
The second research by Rosdi (2014) was an extension of the previous research regarding Islamic political economy of Burhanuddin al-Helmi. IPE in the study was summarised in a diagram. In this article, a summary of the diagram is depicted in Figure 3. Based on Figure 3, IPE is shown to be based on al-Quran and Hadith. Out of these two sources, three main fiqh were discussed in IPE which are fiqh iqtishodi (science of Islamic economy), fiqh ijtimai’e (science of Islamic sociology) and fiqh siyasi (science of Islamic politic). All three fiqh have their own principles that form the foundation of IPE. However, it must be clarified that all three fiqh should be implemented with iman (faith), ilmu (knowledge), amal (deeds) and ikhlas (sincerity). These four main ideals shape a better implementation of IPE.
Next, IPE that was shaped by the three fiqh can be outlined into a few characteristics, principles and implementations that must be followed. The characteristics are socio-political development, socioeconomic development, balanced community development, public interest, and human resource management. While for the principles of IPE, there are a few subjects that need to be emphasized which are the concept of justice and welfare, amar makruf nahi mungkar, based on the concept of ‘ubudiyah and uluhiyah, the responsibility as a caliph and servant of Allah, as well as shura.

Similarly, there are a few implementations that should be observed in order to ensure that IPE is not deviating from the actual guidelines. These includes maintaining security and upholding the law, maintaining education, preparing military strength, maintaining public interest, expanding wealth while maintaining baitul mal, strengthening akhlaq and spreading dakwah. In order to ensure a smooth process, these has to be implemented by Islamic leadership in an Islamic country with Islamic system.

Finally, magasid syar’iah should be referred to in order to ensure that the restrictions of Islamic Shariah is observed. When all of these matters are blended together, the concept of ummah reform is then accurately defined. All of these matters, when executed by qualified Islamic leadership in line with Islamic law, the goal of Mardhatillah, i.e. achieving the approval of Allah SWT, will be accomplished.

In summary, a study of IPE includes Islamic economics, Islamic politic, and Islamic sociologyt these three fields of study are balanced in a single field named IPE.

3. The Science of Economy in IPE

When referring only to economic discussion, many more discussed the economic value. This includes scholars from all over the world including Malaysia. Globally, they were Rahman (1969), Al-Sadr (1971), Zaman (1979), Kuran (1986), Ahmad (1992), Siddiqui (1996), Zarka (2003), Zaman (2005), Kahf (2008), Chapra (2010), and Khan (2013). While in Malaysia, among them were Sundaram (1993), Salih (2013), Haron (1996), Aziz (1959), al-Habshi (2010), Ismail (1985) and Hassan (2000).

The discussions of these Islamic Scholars can be summarised into three topics. First, the definition of Islamic economic; second, Islamic economic approach; and third, Islamic economic school of thought. Eventhough the above mentioned scholars were not categorized in this discussion, all three topics that were summarized by them are actually a part of the economic values discussed in IPE. This is due to the fact that economic discussions comes from the field of Islamic economics itself.

However, in studying the economic value in IPE, the author focussed only on the scholars with discussions concerning IPE. Indeed, this discussion is somewhat limited, but it is sufficient for studying the extent of economic value inherent to IPE.

From the discussions by Choudhury (1990; 1991; 1992a; 1992b; 1995; 1996; 1997a; 1997b; 1997c; 2000), the economic value that he included in IPE referred to as economic ethics. From here, there are four economic values which are mudharabah and musyarakah, avoiding usury, avoiding wastage and paying zakat.

2 According to Ishak (2011), Ungku Aziz carried out a few studies inquiring about usury in Islam by seeking opinions of experts and Islamic scholars. From a comprehensive study on the issue of poverty and savings for Hajj, he proposed the establishment of Tabung Haji. Hence, Ungku Aziz was one of the pioneers of Tabung Haji establishment in Malaysia.
The market system was also described as one of the major economic role in society. Many economic values that were attributed are based on their economic role in society as explained in his articles such as ‘Islamic Economics as a Social Science’, ‘Price, Value and Social Equilibrium in Ethic-economics’, ‘The Principles of Islamic Political Economy: A Methodological Enquiry’, ‘Money in Islam: A Study in Islamic Political Economy’, and ‘Theory and Practice of Islamic Political Economy’.

In Rosdi (2010; 2014) observation, some economic values were incorporated in this discussion of IPE. These values were included under the topic of fiqh iqtishodi (economics). There are seven economic values under fiqh iqtishodi. First, realization of akhlaq and spiritual values; second, community assurance; third, fair and equitable distribution, fourth, assurance of equal rights and opportunity; fifth, monitoring market for fraud, hoarding, trickery, and restriction of goods; sixth, usury eradication; and seventh, implementing work and wage policy.

From these seven economic values, the construction of IPE characteristics, principles and implementations were influenced. For this reason, the characteristics, principles and implementations of IPE had economic values. There were two values in characteristics. First, socioeconomic development; second, balanced community development. The second characteristic may not explicitly seem to be an economic value, however, the action of balancing community development is performed with economic values. While in the implementation of IPE, the economic value is in expanding wealth and maintaining baitul mal.

Besides that, some authors did discussed IPE, however, the discussions focused only on the economic values. This type of discussion is accomplished by Zaman & Asutay (2009). They studied the differences between aspiration and the reality of Islamic economy. They also analysed the impact of economy on political gap. More specifically, they presented the model of development concept in Islam involving economy and fiqh consideration. From this study, they proposed a political economic approach in order to show the actual basic axiom to the main implementing institutions.

There are some titles of Asutay (2007) research that had almost the same mechanism to IPE, however, the analysis was still in the framework of Islamic economy and common political economy. For examples, ‘A Political Economy Approach to Islamic Economics: Systemic Understanding for an Alternative Economic System’ and ‘Deconstructing And Moderating The Functioning And Consequences Of Political Manipulation Of The Economy In Turkey’. From these articles, he mostly investigate through the perspective of finance, Islamic economy, Islamic moral in political economy, and political economy of development.

3 Mehmet Asutay is a lecturer of IPE in Durham University. Austay recent study involved the construction of Islamic moral in IPE. This is his incomplete project since the 1970s. By following the earliest contribution of its founder, Austay aimed to create an IPE system as a framework for determining moral or social economy which are the goals of Islamic economy. Second, Austay build a discourse regarding the ‘failure of social development’ of Islamic banking and finance in regards to the ambition of Islamic moral economy. In reflecting the nature of Islamic finance PE, he also studied PE of development under Islamic finance in Turkey. In order to obtain more detailed explanation, refer to [Retrieved from].

JEST, 3(2), M.S.M. Rosdi, p.252-264.
After analysing a few writings of Asutay (2007), it was found that he only delved into the study of PE, but not IPE. However, he made some attempt to study of IPE in detail since he is in fact a lecturer in the field of IPE.

Kosugi (2012) was also a scholar in political economy, but an analysis of his writings revealed that his focus was less on researches relevant to political economy, but instead, more toward economic finance, environmental care, Islamic institution, global perspective, socioeconomy in Islam and Islamic economy.

In addition, Siddiqi (2001) also discussed economy in IPE research. This sort of discussion was influenced by his career and education background. Regarding his career, he was an associate professor in the Economic Department of Universiti Brunei Darussalam. In one of his research entitled *Suggested Methodology for the Political Economy of Islam*, he explained that in the context of Islamic economy, the behavioural norms suggested by Islamic teachings cannot be considered as the actual behaviour of an individual in Islamic community, instead it should be one of the goals of economic principles to provide a social environment that can help Islamic community to act according to Islam. In this matter, the importance of wealth and income distribution was highlighted.

The same applies to Abghari (2004), he was seen to also be influenced by his background which was more inclined towards economy than politics. So, even though he tried to conduct a research on political economy, his work were not capable of balancing economic and political values in IPE. For example, he had conducted a study relating to the political economy of Islamic Bank in Iran. His research focussed more on economic values than political values almost to its entirety.

4. The Science of Politics in Islamic Political Economy

The investigations conducted by Choudhury (1990; 1991; 1992a; 1992b; 1995; 1996; 1997a; 1997b; 1997c; 2000), and Rosdi (2010; 2013; 2014) displayed its political values. So, based on the studies conducted by Choudhury (1990; 1991; 1992a; 1992b; 1995; 1996; 1997a; 1997b; 1997c; 2000), the political values were described in the process called the *shurat*ic process. This process emerged from the result of interaction and integration between behaviours and institution. This process was based on the agreement achieved through *shura*. This process is called a polity process. This referred to political authority. It is described through the principles and instruments of Islamic law (Shariah) based on the *shurat*ic process.

Whereas for Rosdi (2010; 2013; 2014), political value was clearly discussed under *fiqh siyasi* (science of politics). There are seven political values under the science of politics. First, the enforcement of *Aqidah*, *Shariah*, and *Akhlaq*; second, *Amar Makruf Nahi Mungkar*; third, maintaining the security of people; fourth, eradicating oppression and cruelty; fifth, acknowledging the absolute power of Allah; sixth, referring issues to *Ahl Halli Wal ‘Aqdi* or *shura*; and seventh, realizing the responsibility as a caliph and servant of Allah. All seven political values affected the formation of characteristics, principles, and implementations of the constituted IPE.

In the characteristics of IPE, there are three political values. First, political development; second, balanced community development; and third, public interest. Out of the three values, only political development clearly displayed as political value. The other two were not explicitly expressed as one, however, in term of

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4 On 23/10/2012 in the seventh session of the 40th convocation of Universiti Kebangsaan Malaysia (UKM), Prof. Kosugi Yasushi was awarded the Doctorate Honoris Causa in Islamic Civilization. At the time, he assumed the position of the Director of Global Area Studies-Graduate School of Asian and African Area Studies, in Kyoto University.
application they remained as political values. For example, politic is needed in achieving a balanced community development. Similarly, in maintaining public interest, following policies dictated by the government is inevitable.

Other than Choudhury (1990; 1991; 1992a; 1992b; 1995; 1996; 1997a; 1997b; 1997c; 2000). and Rosdi (2010; 2014) who balanced the economic and political values in IPE, there are others who wrote about IPE, however, these writings were more focussed towards political values rather than economic. They are Beinin (2004), Khan (2006), Abghari (2007), and Abghari (2004).

Looking at their backgrounds, their attention to politics seems to be influenced by their education and research. For example, Beinin (2004) studied Islamic politics and the new global economy by focussing on political economy of Islamic social movement in Egypt and Turkey. This research was conducted while he was positioned in the Department of History in Stanford University. This department concentrated more on researching history and its relationship with politics.

For Khan (2006), he conducted a study entitled Global Poverty: A Perspective from Islamic Political Economy. He was the editor for the New Civilisation news magazine which analysed and discussed politics.

Aside from that, Abghari (2007) had written about the ‘Political Economy Of Political Power Of The Islamic Regime In Iran’. This discussion focused on political power dominated by Muslims in Iran. Professor Abghari is the chairman of the Department of Business Administration at Morehouse College, which is located in Atlanta, Georgia.


Kosugi (2012) also wrote about political economy, however it is still lacking in order to be called IPE. For example, one of his works entitled ‘Transformation of Politics, Society and Culture in Eurasia’. In this article, he concentrated on the changes in Asia in the context of politics, social and culture, instead of IPE.

Of the scholars of economics, the author did not deny that some of them included economic values in their discussions. For example, Khan (1994) and Chapra (1999) actually attempted to include political objectives such as welfare, unity, moral, individual liberty, and creating macroeconomic and ecological balance, however, the discussion was not clearly associated with a political dimension.

5. Conclusion
From the explanations above, it is shown that IPE is developed by scholars of economics and politics. The awareness to develop this field of study came from observing the importance of political value in managing economy, and inversely, the importance of economy in strengthening political standing. The development was however, influenced by their own field of study. There are only two researchers that balanced both economic and political value in IPE to date. They are Choudhury (1990; 1991; 1992a; 1992b; 1995; 1996; 1997a; 1997b; 1997c;

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5 He had research teams on the topics of: 1. Development of a Sustainable Humanosphere from a historical perspective in Islamic System 2. Long-Term Strategies For Bay Area And Oil Economy 3. Socio-economy in Islam as an Alternative of Capitalism. For more explanation, visit [Retrieved from].
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2000) and Rosdi (2010; 2014). From this discussion, it is clear that the importance of economic or political value in Islamic political economy is based on the educational and career background of each researcher. This is a weakness that has to be overcome so that there is a balance between political value and economic value in IPE. In presenting a remedy to the economy of ummah, equitable action in IPE is important.

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