

## Islamic Economics: Is It A Doctrine or A Science?

(*Ekonomi Islam: Suatu Doktrin atau Sains?*)

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### ABSTRACT

*The paper aims at reviewing the arguments of Islamic economics scholars in clarifying the nature of Islamic economics as a doctrine or a science. This paper attempts to integrate the two perspectives of doctrine and scientific dimensions in Islamic economics. This is done by arguing that Islamic economics is developed based on Islamic doctrine on economics and attempts to manifest the doctrine in practical realities. It is found that the practical reality is actually the manifestation of doctrine, and vice versa, hence doctrine must find its foot in the practical realm. Therefore, Islamic economics as a discipline has a root in the Islamic doctrine of economics. It also has a scientific element because it studies the practical realities in the light of doctrine. This would implicate to the extension of the scope of Islamic economics as a science which is not only concern on normative judgments but also in empirical realm.*

*Keywords: Islamic economics; epistemology; doctrine; realities; science*

*JEL: A11, A12, A13, B40, Z12*

### ABSTRAK

*Makalah ini bertujuan untuk mengkaji hujah para sarjana ekonomi Islam dalam menjelaskan sifat ekonomi Islam sebagai doktrin atau sains. Makalah ini cuba menggabungkan dua perspektif doktrin dan dimensi saintifik dalam ekonomi Islam. Ini dilakukan dengan hujah bahawa ekonomi Islam dikembangkan berdasarkan doktrin Islam mengenai ekonomi dan percubaan untuk mewujudkan doktrin dalam realiti praktikal. Didapati bahawa realiti praktikal sebenarnya adalah manifestasi doktrin, dan sebaliknya, oleh itu doktrin mesti mendapai jejaknya di alam praktikal. Oleh itu, ekonomi Islam sebagai satu disiplin mempunyai akar dalam doktrin ekonomi Islam. Ia juga mempunyai unsur ilmiah kerana mengkaji realiti praktikal berdasarkan doktrin. Ini berimplikasi pada perluasan ruang lingkup ekonomi Islam sebagai sains yang tidak hanya mementingkan penilaian normatif tetapi juga dalam bidang empirikal.*

*Kata kunci: Ekonomi Islam; epistemologi; doktrin; realiti; ilmu*

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### INTRODUCTION

Nienhaus (2000) once queries, Islamic economics is a science or doctrine? Being a religious based economics, Islamic economics according to him is widely treated as a doctrine that refuses to accept alteration, instead of a science that is receptive to changes. Such perception will make Islamic economics less attractive to the scientific community and at the same time, Islamic economics is also unable to realistically solve various practical problems in human life.

Therefore, Islamic economics should be treated as a science rather than a doctrine. Islamic economics should be developed by serious scientific investigations using all the well-known scientific methods in economics and ready for dynamics change as a result of constructive dialogue which cannot be conducted with ‘dogmatists’ who consider Islamic economics as only a doctrine. As a science, Islamic economics must develop techniques to deal with disagreements and differences of opinion by

means of intellectual examination. Islamic economics should be a self-questioning and self-correcting ideological system where disputes are settled only by the *persuasive power* of arguments. Furthermore, Nienhaus (1988: 58) argues that the primary goal of any science should be advance our knowledge and “only positive economics can advance our knowledge about the real world (in the past, present and future) and provide us with the necessary knowledge for a full understanding and assessment of issues in normative economics”.

On the other hand, M. Baqir al-Sadr (1983) argues that Islamic economics is essentially a doctrine (*madhhab*) and not a science (*ilm*). Islamic economics is a doctrine set of principles derived from the legitimate sources of Islam, i.e. the Qur’an and Sunnah, for economic life. To al-Sadr (1983: 10), Islamic economics is a *doctrine* in that it is more concerned about “discovering every basic rule of economic life connected with the ideology of (social justice)” rather than a *science* of an “interpretation of existing reality

which gives the explanation of economic life, its economic events and its economic phenomena and the linking of those events and phenomena with the general causes and factors which rule therein". Islamic economics as a doctrine, according to al-Sadr (1991: 37) has a role "to reveal the full vision of economic life in accordance with the Islamic *Shari'ah* and to study the ideas and general understanding which radiate from that vision."

This shows differences of opinion among scholars on the appropriate nature of Islamic economics, on one hand, Islamic economics is viewed as a scientific discipline and on the other hand, Islamic economics is viewed as a doctrine that guide to certain goals instead of explaining the facts of what is happening in practice.

This is actually part of the epistemology discussion of how the relationship of doctrine and facts should be appreciated and hence would clarify the nature of Islamic economics. In this paper we will argue that Islamic economics as a discipline is actually a combination (synthesis) of the doctrinal and practical aspect of Islam in economic realm. As a discipline its progress depends on the interaction of both doctrine and realities. It is Islamic economic methodology that will produce economic theory that could capture and then link the doctrine and practical realities, ideals and factual experience, normative and positive.

The debate is therefore not in whether Islamic economics is a doctrine or a science for doctrine is relevant in Islamic economics science as there is no such thing as doctrinal-free economics (as there is no such value-neutral science), and for science is developed to support doctrine (Gailbraith 1971: 64). The question instead, what is the relationship of doctrine and reality in Islamic economic discipline or in a more technical matter, how to relate Islamic doctrine and economic realities in Islamic economic theory.

In this paper, discourse analysis, representing the discursive tradition in Islamic scholarship is employed with an exploratory approach in Islamic economic literature. The references in the area of philosophy of Islamic economics, which specifically discussed the issue of Islamic economics science, system and doctrine is reviewed critically in the attempt to clarify whether Islamic economics is a science of a doctrine.

#### ECONOMICS: DOCTRINE AND SCIENCE

Modern economics is preceded by what Schumpeter (1954) and Heilbroner (1990) call a "vision" or an "ideology" in conceiving the substance of modern economics. Those doctrines are set of complex of preconceptions reflecting prevailing beliefs held by scientific community or the "absolute Frame of Reference" (Sardar 1988: 163) by which "societies perceive and interpret the arrangements that order their lives" (Heilbroner 1990: 105) and provide the

"raw material for the analytic effort" of economists (Schumpeter, 1954: 42) and they are "unexamined vision of social reality established by the philosophers of economics" (Wisman 1992: 5). They constitute "the hard core which must not be rejected or modified and protected from falsification by a protective belt of auxiliary hypotheses" (Chapra 2000: 140). They provide "a set of principles governing the entire code of life which is a timeless framework that at the same time functions as a built-in mechanism for fresh thinking on new issues and problems so that solution can be found out" (Mannan 1986: 14-15).

Therefore, ideology is a part of economics since its "motivations are not only powerful, inescapable, but legitimate" (Heilbroner 1990: 105). Economic science and economic system is actually a systematic manifestation of those doctrines in theoretical and practical dimension. Wisman (1992) in this regard says economics is built on certain doctrine which is a complex of assumptions concerning social reality that economists accept uncritically, if not unconsciously, and upon which the science of economics is constructed.

With this rationale, it is not false to say that modern economics is built upon certain doctrine which is the doctrine of capitalism that according to Spengler (1980: xii) is "the product of western experience (realities) with some of its origin dating back to the Greco-Roman and medieval worlds." Modern economics (capitalism) are therefore unique to a particular belief and developed based on particular experience, in this case western experience. The experience of Western society in the time of enlightenment, renaissance and industrial revolution has initially contributed to the shaping of doctrine of economic capitalism and vision of economic realities. In this perspective, economics, has been used not only as a science but as a supporting faith. Gailbraith (1971: 64) in this regard argues "the accepted economic models have not necessarily been the ones that illuminated reality, they have frequently served to divert attention from questions of great social urgency which, in the established view, had alarming implications for political action. Economics has not been a science but a conservatively useful system of belief defending that belief as a science".

The assumptions of economic man behavior in solving economic problems, economic motives and goals to be pursued, for example, are built upon certain doctrine derived from the Western's worldview and shaped by western society's experience. Those assumptions gradually become postulates and untestable doctrine in economics. At the higher level, the materialist, secularist, and humanist worldview brought in the Western enlightenment period that views human at the center and his behavior in a materialistic perspective by merely concerned on self-material satisfaction and secularist perspective by detaching individual from religion (God), influence the doctrine construction

and its manifestation in economic theories. Spengler (1980: xiii) in this regard observes that “the content of economic thought was not initially independent of the socio-physical parameters of the society within which it developed, nor did it ever become completely independent even in modern times.”

#### ISLAMIC ECONOMICS: DOCTRINE AND SCIENCE

Having that perspective, we can argue that the argument that says economics as a science is based on purely facts (realities) and not that of doctrine as the scientific method applied in economics will eliminate the doctrinal aspect from economic theory appraisal is misleading. It is this aspect of doctrine bias in economics that justify every society (scientific community) to develop and structure their own economics. Islamic economists are aware of the ‘western-secular doctrine attachment’ in economics which to some extent does not in line with Islamic doctrine. This triggers them to outline a new kind of economics developed from an Islamic doctrine (i.e., Islamic perspective of reality and truth).

The economic doctrine in Islam as defined by Rahman (1995) is economic principle in Islam that will provide a general and clear orientation towards goals, and the particular economic programs, plans and blueprints. The economic doctrine in Islam according to Abdul-Rauf (1991: 92) is a framework of the Islamic value system pertaining to human economic life. Economic doctrine of Islam is essentially an idealization of reality according to Islamic perspective as well as principle and guidance lead to the ideals (Naqvi: 1994: xx). The doctrine has some power as well as serious and far-reaching consequences for the economic life of its adherents that would differentiate one economic system to the others (Askari 1979: 121).

The Islamic doctrine of economics is also unique in the sense that it is developed based on the Islamic worldview as revealed in the Qur’an. Those doctrine, are comprehensive in nature as they take into account the spiritual and material needs of the individual and society in a balanced and harmonized way. This concept is based on a network of interrelated concepts of God, of humanity, of man’s relationship to his fellow men and nature in all forms of aspects and dimensions. In a statement by al-Sadr (1991: 35) “Islamic doctrine and teachings are not confined to organizing the outward form of society, but go deep into its spiritual and ideological depths so that internal content will be in consonance with economic and social plan of Islam.” The doctrine is essentially the ‘core’ of Islamic economics. It is the philosophical foundation on which Islamic economics system will operate. It is an Islamic philosophical framework for the economic analysis of man, resources and society.

Systematically speaking, Abdul-Rauf (1991: 89) argues that the economic doctrine of Islam is closely

related to and is part of the ‘Islamic concept of life’. Their establishment can be viewed in three ways:

1. A set of *basic values* in the form of the *boundaries of God (hudud Allah)* delineates the area of the permissible economic action. Man is free within those limits and indeed urged to use his intellectual and physical endowments for the betterment of his life and his society;
2. Islam also provides *general guidelines* that serve as a chart or compass for steering man through the large area of human freedom in the sphere of economic activities; and
3. Islam also provides *set of ordinance*, some urging specific actions to promote the well-being of humanity and others warning against certain damaging factors.

However, the manifestation of doctrine in realities and the process of scientification of Islamic economics discipline requires interaction and integration of both doctrine and realities. To proceed further, it is important to understand the Islamic conception of truth and reality, how is the scientification could take place in Islamic economics, and how is interaction and integration of doctrine and realities could take place in the theory of Islamic economics.

#### ON TRUTH AND REALITY IN ISLAMIC ECONOMICS

Islamic economics as a discipline or body of knowledge also observes the dimension of realities (practices/application). Islamic economics never missed the practical aspect of science. However, that practical dimension is approached in Islamic economics in its proper meaning whereby a practical reality is understood in Islamic epistemology as not only about ‘what is’ or what is manifested, felt, viewed, and experienced by human (defined as *waqi’iyyah*), but should also be viewed in connection to the Islamic principles/doctrine (defined as *haqq*). That external appearance of human/nature behavior or practical realities (*waqi’iyyah*) that is connected with the Islamic doctrine/principles/values is called as *haqiqah*. *Haqiqah* means those practical (manifested) realities that show both ‘reality’ and ‘truth’.

In Islamic epistemology, the reality is only real (and hence is reliable for source of knowledge) when it corresponds to the Truth (*haqq*). The truth is essentially the doctrine as laid down in the Qur’an. The Qur’an being the source of doctrine, is assured by Allah swt as free of crookedness, deviation, distortion, or contradiction and hence bring certainty (Qur’an 12:2; 13:37; 41:44). In Islamic epistemology, *ilm* signifies to the certain knowledge which is real and certain (*yaqin*) without any doubt or mistake. *ilm* means *haqq*, opposite of *jahl* and *zann* (conjecture). The Qur’an (12:76; 29:43; 58:11) encourages human being to have knowledge

(*ilm*), because *ilm* can lead to *haqq* and likewise, *jahl* or following the *zann*, is an attitude of moving away from the *haqq* (Qur'an 6:25; 7:199; 53:28).

The human being is invited to experience the truth subjectively and objectively through their experience and observation. Reality adheres to the truth which manifest in human life in personal truthfulness in thought, word and deed of adhering to the *haqq*. In this perspective, both *haqq* (truth) and *haqiqah* (reality) are essentially indicating their essential unity. *Haqiqah* in this regard is nothing more than the practical aspect of *haqq* (S.H. Nasr 1967: 109). Ansari (2001: 148) adds the *haqiqah* is essentially the practical affirmation of faith (*iman*) through its translation into requisite actions (*al-'amal al-salih*). Subjectively, Islamic ethics in economics relates to spiritual and moral transformation of the individual (Qur'an, 91: 9); objectively it is grounded in love for God manifesting itself in love for fellow beings (Qur'an 2: 117). It calls for turning normative postulate of religion into a scientific theory grounded in reality. Religious norms will become human experience that could be empirically observed and constructed as theory.

Both doctrines and realities are therefore a twofold light revealing the same object, a twofold expression of one and the same original reality, rooted in the essence of ontological principle of Islam. Truth (*haqq*) in this regard does not have different facets; it is one sided.

#### THE SCIENTIFICATION OF ISLAMIC ECONOMICS

The unity of doctrine and realities, ideals and facts, is the principle in Islamic epistemology. This epistemological principle is essential in Islamic economics that account for ontological affirmation and epistemic credibility. The whole task of Islamic economics as a science is in this project of connecting and unifying doctrine and reality.

However, the 'practical' question remains how to relate the 'immutable doctrines' and the 'dynamic realities' in Islamic economics? The economic doctrines are characterized as unchangeable, final, preconceived and applicable at anytime and anywhere, whereas economic phenomena (matters) and human behaviors are dynamics and change.

The effort of scientification of Islamic economics will reconcile both dimensions in its theory and later on adopted in policy. The theory of Islamic economics in this regard will bridge the doctrine and realities by taking into account the doctrinal ideals (on the basis of *a priori*) and the realities (on the basis of *a posteriori*). With that basic belief, another question arises; if there is disparity between Islamic economic doctrine and practical realities/results what should be done? Should the doctrine be changed to accommodate changes of realities, or vice versa?

We should also clarify whether Islamic doctrine of economics which is derived from the divine revelation, is divine by itself so that scientific treatment is irrelevant or it is not divine so that it also subject to empirical test which might result the doctrine to be refuted and subject to changes to accommodate existing realities? If it is so, to what extent the scientification could take place in an Islamic economics so that as pointed out by Schumpeter (1994: 230) would give us insight of how far it can sustain and hold its own in the face of accumulating adverse evidence, and how far does it vitiates our analytic procedure itself so that in the result we are still left with knowledge that is impaired by it? It is understood that the process of scientification of discipline that requires quantification object of study and evidences in the form of facts (historical data) would either verify or destroy the doctrine by analysis and empirical evidence. Can we do this to the doctrine of Islamic economics?

To answer those questions we should understand first the nature of doctrine and realities in Islam. What do we mean by doctrine is the principles, values and goals that Islam outlines to be the foundation, guidance and direction in any aspect of Muslim life, particularly in economy. In developing Islamic economics science, they will be the foundation from where the hypothesis, assumptions and propositions to be derived and later on to be confronted with practical-realities (facts). The reality on the other hand is understood as an external manifestation of some 'preconceived' thing in mind (belief/doctrine). Unlike doctrine which is perceived as immutable, final, and general in nature, and hence accepted as given, the reality is dynamics, temporary, and changeable in accordance with time and place. Both, doctrine and realities are the sources from where Islamic economic theory is appraised.

#### INTERACTION OF DOCTRINE AND REALITIES IN ISLAMIC ECONOMIC THEORY

The role of Islamic economics as a science is essentially in this interaction of doctrine and realities. The assumptions and theories of Islamic economics are the 'bridge' that would connect the doctrine and realities.

The doctrine provides Islamic economics with basic principles to be the basis, directions and goals in developing assumptions and theories in Islamic economics. All the postulates, hypothesis and assumptions of Islamic economics are linked and based on the doctrine as laid down by Islam (Askari 1979). Siddiqi (1970) in similar vein also argues that the task of Islamic economics as a science is "to formulate the theory of economic behavior according to the injunctions and ethos of the Qur'an." Naqvi (1994: xix) also points out that "Islamic economics is about enunciating a significant number of falsifiable statements about economic behavior of 'representative' Muslims in a



typical real-life *Muslim* society with reference to the ideals that impart it a distinct personality.”

On the other hand, the role of practical-realities or historical data of human real-life experience in constructing Islamic economic theory is also important in theory appraisal. Ignoring modern Muslims societies when theorizing Islamic economics according to Naqvi (1994: xx) will be a pointless exercise. To him, “Muslim economists should not create the impression that they are enunciating some synthetic, universal truth, without subjecting their theories to the toughest tests, and to discard old theories once enough contrary to evidence, *a priori* and/or empirical, becomes available” (Naqvi 1994: xxi). In this respect, a theory should capture the prevailing realities of individual and society and face large *exogeneous shocks* related to a change in the social context in the process of scientification.

Islamic economics as a science is in between of these two poles; doctrine and realities. Its business is to interlink the doctrine and realities and evaluate their relationship. As a science, Islamic economics is basically a *means* to achieve the goals promised by doctrine as well as a *tool* to analyze the practices in the light of doctrine (Abu-Saud, 1995: 265). At the doctrinal domain, Islamic economics will set up goals and interpret the ideals by translating them into a set of behavioral norms in economics. The outcome will be a set of theoretical propositions, assumptions as well as hypothesis. On the other side, Islamic economics examines the real-life conditions. Islamic economics will evaluate the reliability of those theoretical propositions, assumptions and hypothesis in practice by providing empirical evidence and then analyze them to be the feedback for further refinement and development of theory of Islamic economics. The interaction is a continuous process with the main purpose to formulate a general theory for a system of Islamic economics that theoretically as well as empirically sound (Abu-Saud 1995; Khan 1995).

Here, the two domains of ‘doctrine’ and ‘practical realities’ of Islamic economics are viewed in an *integrated* perspective where both would emerge and develop simultaneously in the field of Islamic economics. The ideals and realities, the facts and doctrine, will be intertwined in our attempt to develop Islamic theory. This interaction that aims at reaching a unity is not only necessary but will be done in a natural way in Islamic economics because:

1. Economic doctrines are essentially an ‘idealization of reality’ (i.e., they are set up to inspire human being how should the ‘practical’ reality be). Based on those ideals (doctrine), we derive certain basic postulates, hypothesis and assumptions. The process requires Islamic economists to also have some conceptions of the nature of individual and society,
2. Facts, on the other hand, are essentially the ‘practical manifestation’ of doctrine in realities. Samuels (1990: 6) in this regard rightly notes “knowledge is largely paradigm-specific. Facts are discourse specific: facts are paradigm and theory specific. Theories have paradigm specific meaning.”

Further theoretical progress of Islamic economics depends on the empirical evaluation of practical realities in the light of the doctrinal aspect of Islamic economics. The disparity, in the operational discipline of Islamic economics between the ‘doctrine’ of economics and ‘science’ of economics as well as between ‘how things work’ and ‘how should things work’ would be minimized through continuous development and creative thinking of Islamic economists in a circle of Islamic economic doctrine and Islamic man practices.

Here, we should note that while the doctrine is immutable, the assumptions and theories derived are not immutable, but changeable relative to the practices. Mannan (1984: 3) in this regard argues “once Islamic economic theory is formulated in a particular context, it

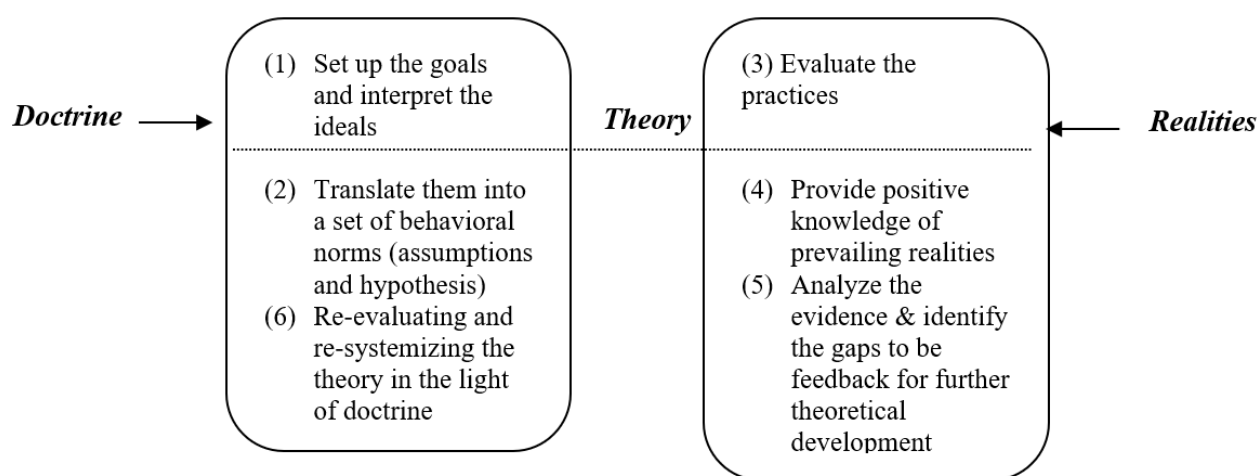


FIGURE 1. Doctrine and reality interaction in Islamic economic theory

can be changed or altered or even rejected by a superior formulation of an alternative theory. What cannot change is the unalterable framework as provided by the Qur'an and Sunnah".

In this sense, those theories are not a collection of absolute and unchanging truth. Instead they must respond to large *exogenous* shock especially when they relate to a change in the social context. In this regard, they should be falsified in real practices and reformulated in the light of the needs of contemporary society (Naqvi 1994; Esposito 2005).

Therefore, in theorizing Islamic economics we must take into account the 'reality' of modern Muslim society, without which effort will be pointless exercise because theories, or models, simulate the real world and suggest for its progress (Naqvi 1994). Mannan (1984: 3) calls this as "internal dynamism of Islamic principles" that implies there are immense possibilities for the development of the science. In this regard, Mannan (1984: 3) insightfully argues "the facts are to be examined in the light of Islamic economic values. The relationship of fact and values may be revealing in the sense theory as formulated may agree with facts, thereby further consolidating the position of the existing socio-economic institutions and policies. The theory may disagree with the facts in their totality, thereby initiating process of a structural change within the existing socio-economic institutions. Lastly the theory may agree with the facts in a substantial degree, thereby initiating a process of marginal change."

The correspondence and conformity of facts to the postulates or hypothesis show that they are in accordance with the doctrine. This implies, according to Tripp (2006: 112) "whatever its scientific claims, is ideological, since it is based on a set of fundamental assumptions about human nature, and about how the world should operate so much as about how it does operate." In other word, we have reached the level of unity between doctrine and realities, between *haqq* and *haqi'iyah* at the level of *haqiqah*.

However, we should also note that differences will always exist in reality. This is simply because in the middle there is a human being who has capacity to either manifest doctrine in realities or annihilate them totally. The doctrine, theory or assumptions derive there from, could only work if the individual(s) choose to work it out. Reality is the human's manifestation of doctrine. His series of behavior are not just suddenly happened, but, manifested in real-life based on and influenced by some beliefs. He is motivated by certain incentives or goals. Doctrine and realities therefore are interrelated. Islamic man is the one who will bridge and relate the Islamic doctrine in realities. He is expected to commit to the Islamic ideals and has a great consciousness to fully implement Islamic economics as being outlined by Islam.

While Islamic economics as a science will 'supply' the theoretical basis of Islamic ethics in economics, the Islamic man is the one that will 'apply' Islamic ethical ideals in practices. How far Islamic ideals can be translated into practices will depend on (1) the consciousness of Islamic man, individually and collectively, as an economic agent to translate them into practice, or (2) the practicability of that doctrine that is the subject of concern of Islamic economics as a science. Any gap of ideals and realities will be the object of study of Islamic economics as a science that would propose conclusions as well as recommendations to solve the gaps and will be the basis for further theoretical progress of Islamic economics.

In Islamic economics, society is the laboratory of research to study the facts and data relating to the economic behavior. With an illuminating doctrine, Islam strives to produce the right society (Islamic society) who practices right behavior and hence provides right data and vice versa. This is actually part of transformation of life and behavior in response to the demands of the spiritual-ethical norms derived from al-Qur'an and Sunnah (Sharif 1990: 132).

Islamic economics as a discipline, in the light of doctrine and reality, ideals and facts, normative and positive, has an ascending and descending role in entertaining the Islamic doctrine on economics and economic realities of Muslims. Ascend from reality to the doctrinal ideals as contained in the Qur'an which is also a stock of knowledge inspiring solution for man's problems, at the same time, having enlightened with the divine message and doctrinal wisdom, Islamic economics then descends to orient, guide, correct and evaluate that reality accordingly (El-Mesawi 2005: 16).

In this integrative perspective, the task and scope of study in Islamic economics is in both the theoretical (*nazariyyah*) and practical (*'amaliyyah*) dimensions.

At the *theoretical level*, Islamic economics is asked to develop a set of behavioral norms which is inspired from the Islamic doctrine/principles as well as the practical realities that must be sound logically and realistic in nature and not a mere doctrinal (i.e., not applicative). On the other hand, Islamic economics is also expected to develop a genuine theory of human economic behavior not in a mere technical elegance and mechanistic parsimony. With the interaction of doctrine and reality, a theory in Islamic economics aims at explaining and understanding the practical realities and prescribing the right action and direction to produce a right man and society as inspired by the doctrine as well.

At the *practical level*, Islamic economics is challenged to internalize doctrine (ideals/norms) into individuals as well as society and apply them in practical realities and to shape the realities in accordance with doctrine. The practical dimension of Islamic economics science aims at creating an Islamic man and

Islamic society who are influenced by Islamic doctrine (values) in their economic practices. Since theory is an abstraction of a complex reality that intend to explain, analyze, and predict the behavior of real-life variables then the existence of truly Islamic man, individually and collectively, who commit and apply the Islamic ideals in the world is necessary to be the object of study of Islamic economics.

Another challenge in the practical dimension of Islamic economics is to lay down the concepts, mechanisms and procedures that would ensure the realization of Islamic ideals. In one strong statement, Naqvi (2003: 17) asserts “divine nature of the broad Islamic message does not provide any divine guarantee of the success of the specific implementation strategies designed to address the problem of real life Muslim societies, unless, if the nature of Islamic teaching is correctly understood and efficiently implemented.” Many works have to be done to understand correctly the ethical principles of Islam to be applied properly in the real economic life.

#### CONCLUSION

The proposition on whether Islamic economics is a doctrine or a science is irrelevant for discipline development. In this paper we have argued that Islamic economics is developed based on Islamic doctrine on economics and attempts to manifest the doctrine in practical realities. The practical reality is therefore the manifestation of doctrine, and vice versa doctrine must find its foot in the practical realm.

Islamic economics as a discipline attempts to integrate doctrine as well as practical aspect of reality. In this perspective, as we have argued, a theory in Islamic economics is expected to capture both dimensions. The scope of study of Islamic economics will be in both the theoretical and practical dimensions. At the theoretical dimension, Islamic economics attempts to develop theory based on Islamic doctrine on economics and realistically have roots in practical realities. At the practical dimension, Islamic economics as a discipline attempts to internalize doctrine in individual behavior and policy prescription and receive feedback for further improvement through theory evaluation and improvement.

This could only possible if the intellectuals are willing to put their attention to firstly discuss the philosophical foundations of Islamic economics as a science and a system which consists of worldview, paradigm, epistemology, key-terminologies, methodologies and ethical foundations before they discuss further the body of knowledge of Islamic economics science or the practical operation of Islamic economic system.

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