



## Islamic Economics Seen from the Philosophy of Science and Integration-Interconnection Paradigm

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**Abstract:** The dispute over the building of Islamic economics has not yet reached an agreement. Therefore, this article aims to analyze Islamic economics as science based on the philosophy of science and the integration-interconnection paradigm. This paper concludes that Islamic economics has not been methodologically clear enough, and how the concept of methodology works is obscure because there is no clear pattern. However, Muslim economists have almost agreed that Islamic economics is an independent discipline. Therefore, the approach of integration and interconnection is feasible to apply in developing Islamic economics as the established discipline.

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### Introduction


The Sharia financial system represents a response to the modern economic system that may be susceptible and may have prohibited foundations according to Islam, such as *riba* of the bank interest (Laldin & Furqani, 2013). The non-interest transaction has been recognized since early Islam, where the contract or transaction is made based on the primary principle. It means that today's transaction is not made to gain future profit, and the transaction executed is not a singular transaction or undertaken through a banking system (Al-Jarhi, 2017).


That is why the discourses about Islamic economics have yet to reach the final formula. More problematically, to formulate the term Islamic economics, there are at least 21 different definitions expressed by experts (Furqani, 2018). Within two decades alone, from 1983 to 2003, there were 12 papers offering methods of how the methodology of Islamic Economics should be constructed (Haneef & Furqani, 2011).

Aside from its definition and methodology, the experts have different opinions regarding the position of Islamic economics, whether it is considered a doctrine or a discipline. Al-Sadr (1983) expressed that Islamic economics is only a doctrine; thus, its theories cannot be evaluated or treated as science if it has not been applied completely in society (Furqani, 2019). On the contrary, the other experts said that Islamic economics should be seen as a science and thus can be developed and evaluated (Haneef, 1997). Further, Kuran (1986) has also stated that Islamic economics is no different from other social sciences, which cannot be separated from its primary question regarding its worthiness as an alternative economy. It is because even the practices of the Islamic economy, which is seen as the manifestation of obeying Allah's command, including *zakat* and other non-interest transactions, have sparked some criticisms.

As an independent discipline, Islamic economics has a daunting challenge in constructing its methodology. Zarqa (2005) said that a specific methodology of Islamic economics is fundamental to this discipline's development. It is factual to see that Islamic economics departs from a combination of two different perspectives, where economics is a positive discipline and Islam, as a religion, is way too normative. Several Islamic economics scholars, such as Nasr (1987), Sardar (1988), Choudhury (1999),

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Haneef (1997) and Furqani (2018), saw that the absence of a specific methodology for Islamic economics makes it too dependent on the conventional economics.

Therefore, Islamic economics is more seen as a doctrine than a discipline. From the philosophical perspective, Munitz (2005), said that a belief must be evaluated continuously through various scientific methodologies, where a high degree to test the beliefs is through the scientific method. However, as seen from a doctrinal perspective, the nowadays Islamic economy is constructed on normative doctrine, which comes from the revelations. That is why if a conventional economics methodology is applied to Islamic economics it cannot be considered worthy as an independent discipline.

Khan (2005) delivered a baffling statement by saying: "after 40 years, Islamic economics is not yet recognized as a distinct discipline. Some scholars who have been involved in this project have taken a U-turn and no more believe that Islamic economics is quite potential to be discipline." Moreover, some economists see that it has been sufficient to explain Islamic economics through a neo-classic approach.

Departing from those perspectives, this study aims to analyze Islamic economics as a discipline, seen from the philosophy of science and the integration-interconnection paradigm. This study will present the analysis of Islamic economics from the philosophy of science perspective, followed by the analysis of Islamic economics from the integration-interconnection paradigm, and then closed with a conclusion.

### **Critical Analysis of Islamic Economics from Philosophy of Science**

The Islamic economy is a new face of Islamic civilization. The contribution of the Islamic economy to civilization is significant, at least seen from two aspects, economy and ritual. From the economic perspective, *ijtihād* performed by the ulema in Islamic economics has contributed to the global economy or at least given a different color. Meanwhile, in the ritualistic aspect, the Islamic economy has improved some Islamic ritual practices across the globe.

According to Knott (2005), Islamic economics has reached an etic-scripturalistic level. However, this is not enough as Islamic economics should reach an emic-scientific level to achieve sustainability. On the other hand, using Kim Knott's approach, Islamic economics has become a new objective of study that will break the limit, as expressed by Knott, between the Insiders (whether as the complete participant or the participant as an observer) and the Outsiders (whether as a complete observer or observer as a participant).

In reality, Islamic economics has been applied either by the outsider or insider. The Westerners who analyzed Islamic economics have also used this discipline in their real lives. The practices are no different from what the insider does. The only difference lies in their faith (*aqidah*/belief). Regarding this fact, the researchers assume that this discipline has a reasonable degree of objectivity, particularly when such differences are set aside.

However, the current most crucial issue in which Islamic economists should think deeply is how to increase the level of Islamic economics from a belief coming from doctrine or habit of mind, as Al-Sadr (1983), has said, to a scientific discipline that has a clear and solid methodology. According to Charles S. Peirce, the phases of science consist of belief, a habit of mind, doubt, inquiry, and meaning (Milton, 2005), which means that Islamic economics also experiences a phase of doubt throughout its progress. This phase happens as many have doubted Islamic economics as a system or whether it can be combined with empirical reality in the field. Unfavorably, this situation separates the scholars into two sides. While one goes back to the doctrinal perspective, where Islamic economics is seen as a truthful doctrine, the other side chooses to drop Islamic economics (Khan, 2005). This situation is caused by the absence of a clear and solid methodology for explaining various phenomena within the Islamic economics framework. Therefore, a solid methodological foundation for Islamic economics has become the most crucial issue.

Then, an inquiry appears: how about the approach for Islamic economics studies? In reality, various approaches can be developed to construct a strong civilization of science. Constructing a solid foundation of Islamic knowledge, as Al-Mustairi (2014:20) expressed, is significant to be instilled in economists. Al-Mustairi (2014:18) said it is vital for Islamic economics, which comes from doctrinal teaching, to be analyzed through a philosophical perspective. This approach is significant for Islamic economics to shift from doctrinal to scientific. The scientific characteristic of Islamic economics is the

part that plays a role in responding to civilization development. He further said that Tawhid is the foundation of the development of Islamic economic civilization.

To date, the situation of Islamic economics is similar to what Al-Mustairi criticized, where it is seen more as doctrinal-political instead of a methodological-scientific matter. That is why a renewal of Islamic economics studies is significantly required, particularly at the University level (Al-Mustairi, 2014:20). Borrowing Nidhal Guessoum's (Hakim, 2018) opinion, the researchers agree that Islamic economics should become a knowledge-based society. He said that the only solution for this situation is that Islam must go hand-in-hand with modern science. It means that Islamic economics should be more open to the Western sciences, and the studies should not only focus on history.

The adverse impact if this situation continues is the static Islamic economics studies. If this continues, what Soroush has said will soon come true: "Revivalists, who are empathetic philosophers of religion, do not replace religion with their understanding of it. They simply replace one understanding of religion with another. While accepting the eternal nature of the Qur'an and the Tradition, the revivalists refresh and complement our knowledge of them. That which remains constant is the religion; that which changes is religious understanding" (Qoyum, 2018).

The explanation above shows that Islamic economics should construct a solid and clear scientific framework. The combination of the revelation-based texts, as in Bayani epistemology, with Burhani and Irfani's approach, is inevitability. It means that conventional economics, which has been more mature in methodology, cannot be completely left out while adopting it absolutely is not allowed either. There should be a proper integration of revelation, rationality, and empirical experiences that will be the foundation of Islamic economics. However, this integration will require a distinct and specific methodology, where it is needed to develop Islamic economics as a discipline of science and no longer a doctrinal subject.

Analyzing the above methodological approaches, the researchers found some patterns. First, the consensus of the Islamic economics scholars agrees on one fundamental aspect, in which the revelation is used only as an axiomatic source in the development of Islamic economics (Naqvi, 1981; Sardar, 1988; Mannan, 1983; Anwar, 1990; Zarqa, 2005; Kahf, 2003). Second, the majority see Islamic economics as an independent discipline and thus is different from conventional economics. The only scholar who disagrees with this opinion is Al-Sadr (1983), as he considered Islamic economics a doctrinal revelation, where its truth is absolute and does not require any scientific evidence.

Third, there are two different perspectives among the Islamic scholars concerning the position of Islamic economics methodology, which stands independently and is separated from conventional economics. Mannan (1983) and Choudhury (1999) are the two Islamic scholars who decisively stated that there should be a separation between Islamic economics and conventional ones. On the other hand, some scholars think that dialogues between the two subjects are possible concerning the plurality of scientific methodology, as Chapra (1996) and Siddiqi (1982) have stated. Fourth, in the most significant phase of scientific methodology, where the science or a theory is technically constructed, the economists have different views. An Islamic economist, who explained the technical stages of the scientific methodology of Islamic economics in a detailed framework, is Mannan (1983). He said there are seven stages of methodology (Arif, 1987; Haneef, 1997; Furqani & Haneef, 2012). Unluckily, other economists did not explicitly explain how the procedure was done in detail.

### **Integration and Interconnection Paradigm in Islamic Economics**

Many Islamic scholars have shared their views concerning how Islamic economics should be developed as a discipline. However, from all the papers available, there are confusions and contradictions between one and the other. The researchers assume that this situation is led by the absence of a supporting instrument, namely an institution or scientific community, which works to implement the framework. Thus, their ideas cannot be applied in society. More problematically, their methodology does not seem to have a strong basis. That is why it tends to stand alone and is prone to clash with the other sciences above them.

In this case, the integration-interconnection is seen as a new concept plausible to construct the Islamic economics framework. This approach has strength as it departs from a solid basis, which has become a philosophy of science of a university. Moreover, this approach has been in-depth analyzed and formulated by Professor Amin Abdullah, although it is not specified in Islamic economics studies.

Therefore, this already strong basis may require a combination of other elements to show a proper technical function.

As seen from the recent phenomenon, the epistemology of science in the Faculty of Islamic Economics, according to the pattern formulated by Abdullah (2012), is constructed in three structures, namely parallel, linear, and circular, where the first and second patterns are dominant. In the Faculty of Islamic Economics and Business, for example, the parallel pattern is easy to notice where the Society of Academicians work alone in developing Islamic economics based on the episteme they master. Many *faqih* (Islamic jurists), who firmly hold doctrinal texts in their studies, may see Burhani epistemology, which is more common in conventional economics, as a joke. As for the followers of this episteme, the statistical approach using numbers and data testing does not make any sense. This also applies to those who follow the Burhani epistemology. Nevertheless, the arrogance of these two epistemes followers causes a significant impact. These two contrasting sides may forget that Islamic economics is a new discipline derived from an integration built by texts and contexts, normative and positive, and quantitative and qualitative.

The figure below illustrates a spider web framework. This framework is firstly introduced by Professor Amin Abdullah after he synthesizes various sources of philosophy of science. Adopting this framework, the researchers contextualize the figure to the Islamic economics framework. The central layers of Islamic economics consist of the Qur'an and Hadith, which is the core of Islamic economics. This core, borrowing a term introduced by Professor Aslam Haneef and Hafas Furqoni, is known as revelational insight.

In the next layer, there is philosophy. In this stage, someone will connect to logic and other philosophical aspects that will lead their scientific reasoning to work. Then, there will be religious teachings in the next layer, including Fiqh muamalah, interpretation studies, hadith studies, and others as the source to understand the texts and applied to Islamic economics. Conventional economics lies in the next stage, with a dominant mathematical-statistical empirical approach as its testing instrument. The last element consists of other social sciences that become the pioneer of conventional economics and Islamic economics. All these layers are integrated and interconnected; thus, this will construct solid Islamic economics theories.

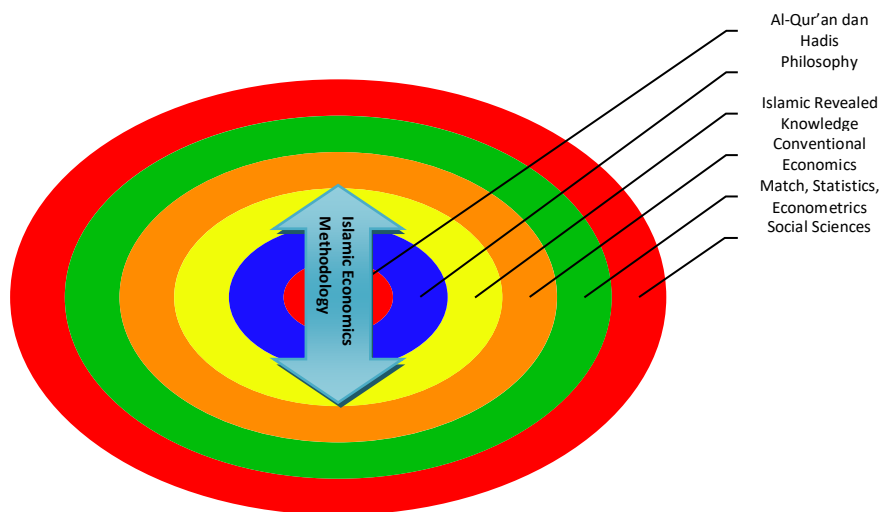


Figure 1. Integration-Interconnection Framework of Islamic Economics

Figure 1 illustrates the structure of the science integration components of Islamic economics. However, this figure encourages another crucial inquiry, "how is it to integrate and interconnect all those sciences?" Nevertheless, a specific methodology for Islamic economics is urgently required to solve that question. It is unlikely to apply the conventional economics method as it is impossible to use the fiqh methodology either. In brief, Islamic economics requires a specifically designed methodology.

Islamic economics methodology has a vital role. It represents the technical procedure and serves as a worldview. This is in line with Haneef and Furqoni (2011) who said “By methodology we mean not merely the technical procedures (modeling techniques) used, the choice of categories and preferred testing procedures but the underlying conceptualization of reality (the worldview) in relation to the preferred mode of reasoning as well as the standards used to appraise theories.

Meanwhile, Machlup (1978) described the role of methodology in the framework of science as: “Methodology provides arguments, perhaps rationalizations, which support various preferences entertained by the scientific community for certain rules of intellectual procedure, including those for forming concepts, building models, formulating hypothesis and testing theories.”

## Conclusion

The development of Islamic economics as a discipline is not as delightful as expected concerning its ambiguous scientific conceptualization. Presumably, the inexistence of a solid methodology, which is applicative and widely acceptable, has become the most prominent cause. It should also be admitted that experts of Islamic economics who focus on developing the methodology for this discipline are limited, let alone rare. Moreover, different perspectives concerning this discipline have a wide gap, leading to confusion among scholars in deciding what methodology to follow. Also, the methodologies offered may look like mere conceptual thought. These Islamic economists should actualize their concepts beforehand. Their students, for instance, could use it to analyze, observe, and develop better theories of Islamic economics, to the very least. If this premise is achieved, the future of Islamic economics will be brighter.

From those pieces of literature, the researchers conclude several matters: (1) no clear pattern of how that methodology concept works, although Islamic economists agree that Islamic economics is a separate discipline. (2) Islamic economics should separate itself from the conventional paradigm. (3) The revelation knowledge is essential to become the fundamental axiom to developing an Islamic economics framework that will be discoursed through an empirical-positive approach, as found in the conventional economics theories. Therefore, an integration-interconnection paradigm is feasible for developing Islamic economics as a more mature discipline.

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