

Al-Ghazali's Sufistic Economy Concept: From Homo Islamicus to Economic Progress

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ABSTRACT

The article explores al-Ghazali's Sufistic economic concept and its potential as a solution to contemporary economic problems. Through a qualitative analysis of primary and secondary sources, we identified al-Ghazali's development of homo Islamicus' importance in achieving maslahah and falah in economic activities, as well as the role of the state in ensuring justice, peace, and stability. The paper offers a historical and philosophical approach to understanding al-Ghazali's contribution to Islamic economics and offers an important contribution to the development of an advanced and comprehensive Islamic economic system, focusing on his monumental work Ihya Ulumuddin and other works, and discusses various important economic concepts ranging from exchange and market evolution, production, barter, and the evolution of money, as well as the role of the state in public finance. This research provides a unique perspective on Islamic economics and would be of interest to scholars, policymakers, and practitioners in the field.

Artikel ini mengeksplorasi konsep ekonomi sufistik al-Ghazali dan potensinya sebagai solusi atas masalah ekonomi kontemporer. Melalui analisis kualitatif terhadap sumber-sumber primer dan sekunder, penulis mengidentifikasi pentingnya konsep homo Islamicus dalam mencapai masalah dan falah dalam kegiatan ekonomi, serta peran negara dalam memastikan keadilan, perdamaian, dan stabilitas. Artikel ini menawarkan pendekatan historis dan filosofis untuk memahami kontribusi al-Ghazali terhadap ekonomi Islam, dengan fokus pada karya monumentalnya yaitu Ihya Ulumuddin beserta karya-karya lain, serta membahas berbagai konsep ekonomi penting seperti pertukaran, evolusi pasar, produksi, barter, evolusi uang, serta peran negara dalam keuangan publik. Penelitian ini memberikan perspektif unik tentang ekonomi Islam dan menarik minat para sarjana, pembuat kebijakan, dan praktisi di bidang tersebut.

Introduction

The development of the Islamic economy is increasingly rapid. Various models of financial institutions, both banks and non-banks, thrived and began to make Islamic economics an alternative to financial management. The presence of Law Number 21 of 2008 concerning Sharia Banking and the MUI fatwa dated December 16, 2003, concerning the prohibition of bank interest further popularized Islamic economics as a solution in conceptualizing the

national economy. Especially during Capitalist and Socialist failures which have an impact on various sectors of life such as poverty, unemployment, inequality, and the environment.¹

The Capitalist and Socialist economic system is indicated to have failed and is unable to create overall and sustainable social welfare. The findings of Muhammad Waqas, Imam Uddin, Badar Ashfaq and Rabia Shakir show that many significant deficiencies have appeared in both capitalist and socialist systems, becoming major causes of economic crises in almost every economy in the world.² Muhammad Iqbal Fasa that it was the failure of the capitalist economic system (capitalism) and the socialist economic system (socialism) that caused the global crisis, even the downfall of a country.³ The biggest mistake of Western capitalism is betting on interest rates as a means of financing.⁴

In practice, the Capitalist and Socialist economic system prioritizes meeting the needs of individual rights and interests rather than the interests of society, even though the gap between the rich and the poor is widening. Then Islamic economics emerged as an intermediary and solution in the human economy.⁵ The Islamic economic system aspires to the development of Islamic economics and financial institutions founded on homoislamicus, agents concerned with social justice and human-centered economic growth and development.⁶ With the aim of forming an authentic Muslim identity as opposed to the global domination of capitalism, which in fact has failed in the process of economic development.⁷

One of the imperatives of studying Islamic economics is the ability to access Islamic economic thought. Islamic economic thought is a pattern of thought related to economic aspects based on the Al-Qur'an and As-Sunnah, developed by Muslim scholars through their writings. Islamic economic thought is a process of *ijtihad* (reasoning or intellectual effort) among Muslim thinkers or scholars based on legal sources and other supporting

¹ Zubair Hasan, "Evolution of Islamic Economic: A Critical Analysis," *ISRA International Journal of Islamic Finance* 8, no. 2 (2016): 25.

² Muhammad Waqas, "Redefining Economic Systems As an Islamic Economic System," *IBT Journal of Business Studies* 12, no. 1 (2016): 65–78, <https://doi.org/10.46745/ilma.jbs.2016.12.01.06>.

³ Muhammad Iqbal Fasa, "Islamizing The System of Economy: Solution Toward An Economical Welfare For The Islamic Landscape," *Li Falah: Jurnal Studi Ekonomi Dan Bisnis Islam* 2, no. 1 (2017): 1–23, <https://ejournal.iainkendari.ac.id/lifalah/article/download/601/563>.

⁴ Abdul Aziz, Farid Saymeh, and Harbi M Orieqat, "The Global Financial Crisis : Is Islamic System a Potential Solution?," *International Journal of Financial Economics* 1, no. 3 (2013): 76–87.

⁵ Harjoni, "Money Problems In An Ideal And Real Context (Analysis of Al-Ghazali and Al- Maqrizi ' s Perspective)," *International Conference on Religion, Spirituality and Humanity (ICoReSH)* 1, no. Desember (2020): 81–93, <https://pps.iainsalatiga.ac.id/icoresh/archives/>.

⁶ Mehmet Asutay, "Conceptualisation on the Second Best Solution in Overcoming the Social Failure of Islamic Banking and Finance," *IUUM Journal of Economics and Management* 15, no. 2 (2007): 167–95.

⁷ Mehmet Asutay, "Divergence between Aspirations and Realities of Islamic Economics: A Political Economy Approach to Bridging the Divide," *Divergence between Aspirations and Realities of Islamic Economics: A Political Economy Approach to Bridging the Divide* 17, no. 1 (2009): 73–96.

sources that aim to find solutions to fundamental problems in various fields including muamalat and economics that are faced by Muslims.⁸

Al-Ghazali is one of the scholars who is concerned with the problems of Islamic economic thought from various perspectives using various approaches including Sufism. Al-Ghazali's perspective is very important because it is rare for scholars to discuss it comprehensively, most of which come from his monumental work *Ihya Ulumuddin*. Through Sufistic economics, al-Ghazali provides an understanding of the importance of homo Islamicus in accessing needs to achieve *maslahah* and *falah*, as well as the role of the state as responsible for the peace and welfare of society.

Based on this, the authors are interested in discussing al-Ghazali's Sufistic economic concept; from Homo Islamicus to economic progress. To provide knowledge and understanding of the importance of these thoughts in responding to various contemporary economic problems. In addition, it is a real contribution to the development of an increasingly advanced and comprehensive Islamic economy, especially in Indonesia.

Theoretical Review

The research of al-Ghazali's Sufistic economics is basically not new, there have been various previous studies that have made al-Ghazali his field of study. As *First*, Abdul Aziz with the title *Sufistic Economics Model Al-Ghazali; Analytical Study of al-Ghazali's Economic Thoughts on Monetary and Business* which highlights al-Ghazali's thoughts in the monetary field and economic and business activities.⁹ *Second*, Tubagus Thresna Irijantoa, Mohd. Azlan Shah Zaidib, Abdul Ghafar Ismail c Noraziah Che Arshadd with the title *Al Ghazali's Thoughts of Economic Growth Theory, A Contribution with System Thinking that the fields of economics and economic growth have relevance and interconnectedness with each other*, so it can be concluded that the thoughts and ideas they provide color and direction of economic development in the future.¹⁰

Fourth, Muhammad Irkham Firdaus, Theo Aditya Pradhana, Saiful Nasution with the title *The Concept of Money According to the Thought of Ibn Taymiyah and Imam Ghazali and its Impelemation in the Economic Field*. The conclusion is that the thoughts of Ibn Taimiyah and Imam Ghazali regarding a good and correct money system, which is in accordance with Islamic principles and benefits all parties are as follows, money as a medium of exchange, money does not have a utility function, money is not a commodity,

⁸ Nur Amani Aisyah Samsuddin et al., "Islamic Economic Thoughts of Prominent Muslim Scholars in the Abbasid Era," *International Journal of Academic Research in Business and Social Sciences* 10, no. 12 (2020): 26–35, <https://doi.org/10.6007/ijarbss/v10-i12/8212>.

⁹ Abdul Aziz, *Ekonomi Sufistik Model Al-Ghazali; Telaah Analitik Terhadap Pemikiran Ekonomi Al-Ghazali Tentang Moneter Dan Bisnis* (Bandung: Penerbit Alfabeta, 2011).

¹⁰ Tubagus Thresna Irijantoa et al., "Al Ghazali's Thoughts of Economic Growth Theory, A Contribution with System Thinking," *Scientific Journal of PPI-UKM* 2, no. 5 (2015): 223, http://www.kemalapublisher.com/index.php/ppi-ukm/article/view/123/pdf_44.

money is a measure of the value of goods, money must have a fixed value, and money must flow and circulate not to be hoarded.¹¹

From the various research results above, it is clear that this research is different. This study discusses Al-Ghazali's sufistic economic concept from Homo Islamicus to Economic Progress. Without being a priori that this research has never been done before. Moreover, the interesting side of al-Ghazali is that al-Ghazali has a unique economic concept, because his mystical aspects are influential in it, which is different from other Islamic economic figures.

Research Methods

This research is a qualitative library research, which aims to determine al-Ghazali's Sufistic economic concept from homo Islamicus to economic progress. Data collection techniques are sourced from primary and secondary data. Primary sources were obtained from the book *Ihya Ulumuddin*, while secondary sources came from books, journals, and articles relevant to this research. The approach used is a historical and philosophical approach. While the data analysis uses content analysis, namely analyzing al-Ghazali's Sufistic economic concepts which are described in descriptive or narrative form as well as inductive form. The working step of this analysis requires the writer to be guided by several principles such as the systematic principle where the writer is not justified in analyzing only the content according to his concerns and interests, but must be on the entire content that has been determined for himself. The objective principle is that the results of the analysis depend on the research procedure, not on the person. The principle of real content means that what is researched and analyzed is the explicit (visible) content, not the meaning felt by the researcher.

Discussion

A. Biography of Al-Ghazali

The study of Islamic economics is long enough. Most of the issues regarding Islamic economics are stored in Islamic literature, especially in the Al-Qur'an and Hadith. Economic problems became the concern of Rasulullah Saw. The policies of the Prophet Muhammad later became guidelines by his successors as well as a basis for economic theory by the caliphs and so on in managing the country's economic life.¹² For this reason, the presence of an Islamic economic system is not caused by a capitalist, socialist, or liberal economic system. Islamic economics comes from the demands of Islam itself. An integral part of the Islamic order. Its presence is to provide welfare for humanity by building harmony in human moral and material requirements.¹³ One of the figures who played a very important role in the thought and development of Islamic

¹¹ M I Firdaus and T A Pradhana, "The Concept of Money According to the Thought of Ibn Taymiyah and Imam Ghazali and Its Implementation in the Economic Field," *Al-Iktisab: Journal of Islamic Economic Law* 4, no. 2 (2020): 120–34, <https://ejournal.unida.gontor.ac.id/index.php/aliktisab/article/view/5394>.

¹² Havis Aravik, *Pemikiran Ekonomi Islam Kontemporer* (Jakarta: Kencana, 2017).

¹³ Abdul Shukor Shamsudin et al., "Preliminary Insights on the Effect of Islamic Work Ethic on Relationship Marketing and Customer Satisfaction," *The Journal of Human Resource and Adult Learning* 6, no. June 2010 (2010): 106–14.

economics was Al-Ghazali. Al-Ghazali is an Islamic economic figure in classical and medieval times. Other figures at that time such as Al-Syatibi, Abu Ubaid, Yahya bin Umar, Ibn Taimiyah, Ibn Khaldun, and Al-Maqrizi.¹⁴

Al-Ghazali, full name Abu Hamid Muhammad Ibnu Ahmad Al-Ghazali al-Thusi. Born in 450 H (1058) in Ghazal, Thusi Khurasan Province, Iran.¹⁵ Thus, he belongs the original Persian descent. His father's name was Muhammad bin Muhammad, and he died when al Ghazali was still small¹⁶ and worked as a craftsman of Shuf cloth (made from sheepskin), selling it in the city of Thusi and was fond of studying Sufism. Therefore his parents only want to eat from the work of his own hands.¹⁷ This behavior greatly influenced Al-Ghazali's personality in the future. The name Ghazali comes from the word ghazal which means spinner because his father's job was as a spinner spinning wool. Whereas Ghazali is also taken from the word ghazalah, which is the name of the village where Ghazali was born and this is what is widely used so that his name is associated by people with his father's work or place of birth.¹⁸

Al-Ghazali loved science and studied various scientific disciplines. He visited various scientific centers and cities such as Jurjan, Naysabur, Baghdad, Syria, Palestine, and Alexandria (Egypt).¹⁹ Al-Ghazali received his early education at Thus, under the tutelage of an educator and tasawwuf named Shaykh Ahmad bin Muhammad Ar Radzakani, a close friend of his father. Then went to Jurjan to take knowledge from Imam Abu Nasr Al Isma'ili and wrote the book *At Ta'liqat*. Then return to Thusi. After that, he moved to Naisabur and studied theology or theology at Imam Haramain Juwaini. From Naisabur he moved to Mu'askar and became acquainted with Nizamul Mulk, the Prime Minister of the Bani Seljuks. Nizamul Mulk appointed Al-Ghazali as a teacher at Madrasah al-Nizamiyah Baghdad in 484 H or 1091 AD.²⁰ Al-Ghazali studied theology, Islamic law, philosophy, logic, Sufism, and the natural sciences.²¹ For four years Al-Ghazali taught at the institute, and through his position as a professor, his name

¹⁴ Abdullah Haidar and Putri Oktavia Rusadi, "A Sentiment Analysis : History of Islamic Economic Thought," *JoIE: Journal of Islamic Economics* 2, no. 2 (2022): 150–63, <https://jurnal.iaiponorogo.ac.id/index.php/joie/article/view/5082>.

¹⁵ Harjoni, "Money Problems In An Ideal And Real Context (Analysis of Al-Ghazali and Al- Maqrizi ' s Perspective)."

¹⁶ S Mohammad Ghazanfar and Abdul Azim Islahi, *Economic Thought of Al-Ghazali, Islamic Economics Research Series* (Jeddah: Scientific Publishing Centre King Abdulaziz University, 1997), <https://mpra.ub.uni-muenchen.de/53465/>.

¹⁷ Zaki Mubarak, *Al-Akhlak 'ind Al-Ghazali* (Mesir: Dar al-Katib al-Araby al-Thba'at al-Nasyr, 1968).

¹⁸ Firdaus and Pradhana, "The Concept of Money According to the Thought of Ibn Taymiyah and Imam Ghazali and Its Implementation in the Economic Field."

¹⁹ M Khoirul Fikri and Rizky Andrian, "Traditional Market Insight From Imam Al-Ghazali ' S Islamic Economic Perspective," *Annals of the University of Craiova for Journalism, Communication and Management* 8 (2022): 33–38, <https://doi.org/10.5281/zenodo.7470398>.

²⁰ Ahmad Maulidizen, "Business Ethics: Analysis of Al-Ghazali's Economic Thought With Sufism Approach," *Religia; Jurnal Ilmu-Ilmu Keislaman* 22, no. 2 (2019): 160–77, <https://doi.org/10.28918/religia.v22i2.2067>.

²¹ Firdaus and Pradhana, "The Concept of Money According to the Thought of Ibn Taymiyah and Imam Ghazali and Its Implementation in the Economic Field."

skyrocketed so that he was counted as a respected scientist and admired jurist, not only within the Nizhamiyah environment but also among the Baghdad government.²²

During his life, Imam Al-Ghazali has produced many works which are estimated to reach 300 works covering various disciplines such as logic, philosophy, morals, interpretation, fiqh, 'uulum al-Qur'an, tasawuf, politics, and economics. However, only 84 remain, including *Ihya 'Ulum al-Din*, *Tahfut al-Falasifah*, *al-Tibr al-Masbuk fi Nasihat al-Muluk*, *al-Mustashfa*, *Mizan al-'Amal*.²³ In general, Al-Ghazali's works were written to respond to various political issues where moral decadence and economic inequality occur in society.²⁴ It must be admitted that during Al-Ghazali's life, the Islamic world did experience a phase of decline and increasingly severe decline. The Abbasid dynasty was split into several small kingdoms.²⁵

The power of the caliph was almost solely limited to the spiritual field, while real political power rested with local rulers scattered throughout the Islamic world, whether they had the title of Sultan, Amir, or King. At the same time, various schools of thought or sects were developing both in the field of faith such as *Asy'ariyah* and *Mu'tazilah* and *Shi'ah*, as well as in the field of law such as *Maliki*, *Hanbali*, *Shafi'i*, *Hanafi*, and so on. So that the Islamic world experienced a phase similar to that of Europe in the dark ages, namely political rulers competing for power and territory seeking support from certain religious groups. Meanwhile, religious sects in their efforts to maintain and expand influence and their respective territories seek support from political authorities. Thus an alliance or alliance occurred between political rulers and religious schools, although not as intensive as in Europe. Al-Ghazali died at the age of 55 on December 18, 1111 AD.²⁶

B. Al-Ghazali's Islamic Economic Thought

Al-Ghazali is not only known as a philosopher, theologian, jurist, and Muslim mystic of Persian descent but also as an economist. Most of his thoughts in the economic field originate from his monumental work *Ihya Ulumuddin* which consists of four volumes, with 1700 pages²⁷ and other works such as *al-Mustashfa Mizan*, *al-Amal*, and *At-Tibr al-Masbuk fi al-Nasihah al-Muluk*. It discusses various important economic concepts ranging from exchange and market evolution, production, barter, and the evolution of money, as well as the role of the state in public finance.²⁸

²² Havis Aravik, *Ekonomi Islam: Konsep, Teori Dan Aplikasi Serta Pandangan Pemikiran Ekonomi Islam Dari Abu Ubaid Sampai Al-Maududi* (Malang: Empat Dua Intranspublishing, 2016).

²³ Rizal Fahlefi, "Pemikiran Ekonomi Al-Ghazali," *Juris* 11, no. 1 (2012): 22–32.

²⁴ Muhamad Faiz Arrafi and Marwin, "Konsep Pemikiran Ekonomi Islam Imam Al Ghazali," *LABATIL: Jurnal Ilmu Ekonomi Islam* 5, no. 2 (2022): 73–86, <http://www.ejournal.iainu-kebumen.ac.id/index.php/lab/article/view/490>.

²⁵ Muhammad Maksum, "Implementation of Al-Ghazali Maslahah Concept in Islamic Economic Activities," *Jurnal Sosial Dan Budaya Syar-I* 8, no. 1 (2021): 1–20, <https://doi.org/10.15408/sjsbs.v9i2.24825>.

²⁶ Achmad Irwan Hamzani and Havis Aravik, *Politik Islam: Sejarah Dan Pemikiran* (Pekalongan: PT. Nasya Expanding Management, 2021), https://books.google.co.id/books/about/POLITIK_ISLAM.html?id=digXEAAAQBAJ&redir_esc=y.

²⁷ Ghazanfar and Islahi, *Economic Thought of Al-Ghazali*.

²⁸ Irijantoea et al., "Al Ghazali's Thoughts of Economic Growth Theory, A Contribution with System Thinking."

Al-Ghazali's style of economic thinking is based on the Sufism approach.²⁹ This is of course not surprising, because since childhood Al-Ghazali has indeed been engaged in the world of Sufism just like his parents. In his grand concept of economics, Al-Ghazali focuses his attention on individual behavior which he discusses according to the perspective of the Qur'an, Sunnah, fatwas of companions and tabi'in as well as advice from leading Sufis of the past, such as Junaid Al-Baghdadi, Dzun Al- Mishri, and Harith bin Asad Al-Muhasibi.³⁰ Some of Al-Ghazali's Islamic economic thoughts which greatly contributed to the economic civilization of the Islamic world will be described as follows:

1. Humans as Homo Islamicus

Humans are social beings who need association and association with other people. The human tendency to socialize and make ends meet is one of the characteristics that distinguish humans from animals. Humans cannot live alone in achieving their needs. Fellow human beings must help each other to achieve mutual satisfaction. Although in Islam, the existence of individuals and collectivities is recognized, they have their existence. As living beings, humans certainly need needs (hajjat), namely the desire to get something that is needed to maintain survival and carry out its functions. For example, food and drink are consumed to meet the body's needs, eliminate hunger and thirst, and so that humans can continue their lives. Clothing is worn to cover and protect the body from heat and cold and so on. To fulfill all of this, humans must work and interact with other humans every day so that all their needs are met.³¹ Due to a large number of human needs, economic activities emerge, namely production, distribution, and consumption.³²

As economic actors, humans must take care of the necessities of life and always worship Allah swt.,³³ have knowledge of Islamic principles and rules in economic transactions, know the types of transactions that are prohibited and permissible, and know about bai' (buying and selling), usury, salam, ijarah, mudharabah, and musyarakah. Every economic transaction has pillars and conditions that must be known by the business world so that bad things and losses that may arise in the future do not occur. Because economic activities carried out by law are fardhu kifayah and as a means of worshipping Allah Swt.³⁴ Fardhu Kifayah is interpreted as a moderate standard of living that allows a person to meet the needs of himself and

²⁹ Moh. Muafi Thohir, "Pemikiran Imam Al-Ghazali Tentang Ekonomi Islam Dalam Kitab Ihya' Ulumuddin," *Iqtishoduna* 8, no. 2 (2016): 76–93, <https://ejournal.iaisyarifuddin.ac.id/index.php/iqtishoduna/article/view/148>.

³⁰ Lilik Rahmawati, "Konsep Ekonomi Al-Ghazali," *Maliyah* 02, no. 01 (2012): 329–45, <http://jurnalafh.uinsby.ac.id/index.php/maliyah/article/view/360>.

³¹ Havis Aravik, Achmad Irwan Hamzani, and Nur Khasanah, "The Role of the State in the Islamic Economic System: A Review of Abbas Mirakhor'S Thought," *Islamic Banking: Jurnal Pemikiran Dan Pengembangan Perbankan Syariah* 7, no. 1 (2021): 1–22, <https://doi.org/10.36908/isbank.v7i1.271>.

³² Try Astuti, Anras Hamid Habbe, and Abdul Abdul Wahab, "Islamic Economic Principles and Production Activities Thought of Imam Al-Ghazali From His Book "Ihya' Ulum Al-Din"," *Dinasti International Journal of Management Science* 3, no. 3 (2022): 438–62, <https://doi.org/10.31933/dijms.v3i3.1091>.

³³ Samsuddin et al., "Islamic Economic Thoughts of Prominent Muslim Scholars in the Abbasid Era."

³⁴ Alfina Rahmatia, "A Study of Max Weber Thought on Its Relation To Work Purposes and Ethics in the Islamic Economics," *Transformatif* 3, no. 1 (2019): 19–41, <https://doi.org/10.23971/ta.v3i1.1228>.

his family following the basics of life, namely food, clothing, and shelter.³⁵ Al-Ghazali also views economic development as part of the tasks of social obligations that have been ordained by Allah. If it is not fulfilled, world life will collapse and humanity will perish, economic activity must be carried out efficiently because it is part of fulfilling one's religious duties.³⁶

Everyone who carries out economic activities has at least 3 (three) reasons, namely: First, God has created abundant natural wealth to be used by humans for their survival, as well as proof of gratitude to God for the Giver of Fortune. Second, people who can be economically empowered will have a free life, far from dependence on other people, and can carry out religious teachings perfectly, such as zakat, infak, alms, and pilgrimage. Third, economic behavior in pursuing fulfillment must not deviate from Islamic teachings and principles of life.³⁷ Economic activity is also a good deed recommended by Islam which aims to fulfill three basic human needs: food, clothing, and shelter,³⁸ and is aimed at achieving *maslahah* to strengthen the nature of wisdom, simplicity, and determined man. *Maslahah* is the opposite of *Mafsadat*. *Maslahah* is the goal of Allah Swt. 's law.³⁹

Maslahah is all forms of conditions, both material and non-material, which can increase the position of humans as the most perfect creatures. *Maslahah* is the ultimate goal of the creation of divine rules - *syariat* -, both containing benefits and eliminating harm. This concept covers all aspects of human life, both religious, social, and economic affairs. The ultimate goal of human economic activity is to achieve happiness in this world and the hereafter (*falah*) through a good and respectable life order. *Falah* in economic life can be achieved by applying the principles of justice in economic life (QS. Al-Baqarah [2]: 60, 168, al-Maidah [5]: 87-88, Al-Jumu'ah [62]: 10) on one side. On the other hand, aims to achieve *maslahat* in life which consists of five things, namely religion (*dien*), soul (*nafs*), intellectual (*'aql*), heredity (*nasl*), and material (*maal*). These five *maslahat*s are a means to achieve *hayah thayyibah*. *Maslahat* can only be achieved if human life is in balance (equilibrium) which is part of *sunatullah*. The balance referred to is in the dimensions of material-spiritual, individual-social, and welfare of life in the world and the hereafter (QS. Al-An'am [6]: 165, An-Nahl [16]: 71, Az-Zukhruf [43]: 32, Ar-Ra'd [13]: 36, Luqman [31]: 22, Al-Hujurat [49]: 13, and Al-A'raf [7]: 158).

In reality, economic activities carried out by humans produce 3 (three) categories of humans, namely: First, humans who are only concerned with worldly life. They will be doomed. Second, humans are concerned with the afterlife rather than the world. They will be lucky. Third, the people who are in the middle, prioritize the life of this world in line with the life hereafter. For this reason, for Al-Ghazali there are only

³⁵ Ghazanfar and Islahi, *Economic Thought of Al-Ghazali*.

³⁶ Aravik, *Ekonomi Islam: Konsep, Teori Dan Aplikasi Serta Pandangan Pemikiran Ekonomi Islam Dari Abu Ubaid Sampai Al-Maududi*.

³⁷ Tubagus Thresna Irijanto, Mohd. Azlan Shah, and Abdul Ghafar Ismail, "The Thoughts of Economic Growth Theories of Classical Muslim Scholars, A Contribution," *Trikonomika* 12, no. 2 (2013): 168, <https://doi.org/10.23969/trikononika.v12i2.478>.

³⁸ Ghazanfar and Islahi, *Economic Thought of Al-Ghazali*.

³⁹ Aravik, *Ekonomi Islam: Konsep, Teori Dan Aplikasi Serta Pandangan Pemikiran Ekonomi Islam Dari Abu Ubaid Sampai Al-Maududi*.

three kinds of intentions to fulfill one's needs; 1) to meet the needs of life concerned. 2) to help others in need. 3) for the welfare of the family. 3) to help others in need. According to him, the non-fulfillment of these three reasons can be blamed on religion. Therefore, Al-Ghazali strongly criticizes those whose efforts are limited only to meeting the necessities of life.⁴⁰

On the other hand, humans are seen as maximizers and always want more. So Al-Ghazali realized that human desire is not only to accumulate wealth but also the need for preparation in the future. However, Al-Ghazali warned that if this spirit of wanting more leads to greed and the pursuit of personal desires, it deserves to be condemned.⁴¹ For this reason, Al Ghazali advised not to be too ambitious (greedy) in gaining big profits and only take profits that are considered reasonable according to prevailing customs.⁴² Furthermore, Al-Ghazali stated that a person's income and wealth come from three sources, namely income through individual labor, trade profits, and income due to good fortune such as inheritance, finding hidden treasures, or receiving gifts. Regarding its distribution, Al-Ghazali requires it to be done voluntarily, which is more motivated by religious moral obligations. Without voluntary distribution, two things will appear, namely wasteful and miserly.⁴³

2. The Concept of the Market as a Place for Transactions

The term market is very familiar to the community, moreover, the market is known as a place to bring together sellers and buyers by jointly making exchanges. The term market is always associated with the economy. The market describes sellers and buyers making transactions so that bargaining occurs.⁴⁴ However, before conventional economists put forward the process of market formation, Al-Ghazali had already put his ideas on the market into motion. According to Al-Ghazali, the market evolves as part of the "natural law" of all things, namely an expression of various spirits that arise within oneself to meet each other and satisfy economic needs.⁴⁵ Because naturally humans always need other people; these needs are strongly influenced by the exchange of different needs.⁴⁶ For example, farmers need fish from fishermen, otherwise, fishermen need rice from farmers, and so on. In meeting these needs, humans also need a place to store and distribute all their needs. This place is then visited by humans to meet their needs. This is where the market emerged.

⁴⁰ Aravik.

⁴¹ Thohir, "Pemikiran Imam Al-Ghazali Tentang Ekonomi Islam Dalam Kitab Ihya' Ulumuddin."

⁴² Astuti, Habbe, and Abdul Wahab, "Islamic Economic Principles and Production Activities Thought of Imam Al-Ghazali From His Book "Ihya' Ulum Al-Din"."

⁴³ Rahmawati, "Konsep Ekonomi Al-Ghazali."

⁴⁴ Dena Ayu, Muhamad Yusuf, and Doli Witro, "Pemikiran Al Ghazali Tentang Penerapan Sistem Ekonomi Islam Di Indonesia," *Jurnal Hukum Ekonomi Islam (JHEI)* 4, no. 1 (2020): 111–28, <https://jhei.appheisi.or.id/index.php/jhei/article/view/102>.

⁴⁵ Arrafi and Marwin, "Konsep Pemikiran Ekonomi Islam Imam Al Ghazali."

⁴⁶ Irijanto, Shah, and Ismail, "The Thoughts of Economic Growth Theories of Classical Muslim Scholars, A Contribution."

Farmers or fishermen cannot directly barter or exchange their goods for the goods they need. This is a factor that encourages them to make transactions in the market⁴⁷

Al-Ghazali then argued that because of trade (exchange), there would be a movement of goods from one place to another. The main motive behind this activity is to increase capital and profit.⁴⁸ So, trade is one way to improve the economy properly. He stated that the obligations of a state/government should include guarding the market so that the economy can progress and develop. There are at least 2 (two) codes of ethics that apply and must be understood by every community about the market, namely: First, demand, supply, price, and profit. In the context of supply and demand, Al-Ghazali offers the concept of *al-tsaman al-adil* (fair price), namely the prevailing price, as determined by market practices or what is known by Muslim scientists and contemporary European scientists, the equilibrium price (price balance). Prices and profits according to Imam Al-Ghazali, to find out the differences and similarities between the two, by giving a warning to sellers about profits. In this case, the aim is to avoid deception regarding prices in making transactions for the sake of making a profit. According to him, profit is a reward for the uncertainty in selling and the risks that traders have gone through in maintaining their merchandise.⁴⁹

Second, market behavior and business ethics. Ethics and business are inseparable units. A business that is a symbol of world affairs is also considered an integral part of the investment affairs of the hereafter. That is, if the orientation of the business and investment business is the afterlife (intended as worship and is the totality of obedience to God), then the business itself must be in line with moral principles based on faith in the afterlife.⁵⁰ Al-Ghazali's view of the market is that he must prioritize his moral and ethical behavior. In this way, it can make a good contribution to the actors in it. Prioritizing morals is a virtue that must be maintained. One way is not to hoard goods or food, which is a very big injustice and must be avoided, especially when there is scarcity. As a result of scarcity, the price of goods soars, thus the level of people's consumption will decrease and in turn will reduce the level of production.⁵¹

Al-Ghazali also emphasized truth and honesty, made false advertisements, provided false information about the weight or quantity of merchandise which was a form of fraud, and even condemned fraud in the quality and marketing of goods, and control of the market through secret agreements and price manipulation.⁵² Prohibiting usury because it is contrary to the nature of human life on earth, creates conflict and undermines cooperation. *Riba* contradicts the nature of the production environment

⁴⁷ Aravik, *Ekonomi Islam: Konsep, Teori Dan Aplikasi Serta Pandangan Pemikiran Ekonomi Islam Dari Abu Ubaid Sampai Al-Maududi*.

⁴⁸ Irijanto, Shah, and Ismail, "The Thoughts of Economic Growth Theories of Classical Muslim Scholars, A Contribution."

⁴⁹ Ayu, Yusuf, and Witro, "Pemikiran Al Ghazali Tentang Penerapan Sistem Ekonomi Islam Di Indonesia."

⁵⁰ S.M. Ghazanfar and A. Azim Islahi, "Economic Thought of An Arab Scholastic: Abu Hamid Al-Ghazali (A.H. 450-505/A.D. 1058-1111)," *History of Political Economy* 22, no. 2 (1990): 381-403.

⁵¹ Al-Ghazali, *Ihya Ulumuddin* (Mesir: Cairo: Multazam At-Taba' Wannasar, 1987).

⁵² Maulidizen, "Business Ethics: Analysis of Al-Ghazali's Economic Thought With Sufism Approach."

which is characterized by the uncertainty of results. Thus, all contracts and financial transactions as a form of certain contracts must comply with sharia principles and only apply if they do not contain usury,⁵³ uncertainty (gharar), gambling (maisir), and prohibited activities (non-halal).⁵⁴

Riba is a dangerous practice of misusing the function of money, such as hoarding goods for individual interests. There are two ways riba can appear in hidden forms. Riba can arise if there is an exchange with a different amount or with a different delivery time. If the delivery time is not immediate and there is a request to exceed the amount, this excess is called riba al-nasiah. If the amount given is not the same, the excess given in exchange is called riba al-fadl. According to Ghazali, both forms of transactions are unlawful.⁵⁵

Al-Ghazali stated that the market must run freely and cleanly from all forms of fraud. The behavior of market participants must reflect virtue, such as providing additional material benefits for others in transactions. He also explained that one of the good practices in the market is to be lenient when dealing with the poor and flexible in debt transactions, even freeing the debts of certain poor people.⁵⁶ Because the conditions for obtaining prosperity in market evolution are peace, wealth, mutual love, and mutual respect for the rights of others.⁵⁷ In addition, Al-Ghazali allowed economic activities, including in the market, in five contracts, namely; al-ba'i contract, as-salam contract, al-ijarah contract, al-qiradh contract, and al-shirkah contract.⁵⁸

3. The Concept of Money as a Transaction Tool

Al-Ghazali mentioned that in ancient times humans carried out their business activities through buying and selling transactions by bartering, namely exchanging one item for another according to their individual needs. The weakness of transactions using the barter system is more due to the absence of a definite measure of the equal value of an item if it is to be exchanged for the value of other goods. To overcome this problem, this system must be changed and find a way out. Therefore, according to Al-Ghazali, one of the most important inventions in the economy is money. Money solves the problems that arise from barter exchange. In *Ihya 'Ulum ad-Din*, Al-Ghazali defines money as goods or objects that function as a tool to obtain other goods. Therefore, Al-Ghazali likens money to a mirror that does not have its color but can reflect all kinds of colors.⁵⁹

⁵³ Farhat Naz Rahman, "Theory of Islamic Financial System and Economic Growth," *Journal of Creative Writing* 3, no. 1 (2017): 66–82, <http://jocw.discinternational.org/index.php/jocw/article/view/42/46>.

⁵⁴ othmar Lehner Johanna Pesendorfer, "Islamic Banking and Finance As an Ethical Alternative: A Systematic Literature Review," *ACRN Oxford Journal of Finance and Risk Perspectives* 5, no. 2 (2016): 42–64, <https://doi.org/10.31235/osf.io/jb5z9>.

⁵⁵ Fikri and Andrean, "Traditional Market Insight From Imam Al-Ghazali ' S Islamic Economic Perspective."

⁵⁶ Rahmawati, "Konsep Ekonomi Al-Ghazali."

⁵⁷ Fikri and Andrean, "Traditional Market Insight From Imam Al-Ghazali ' S Islamic Economic Perspective."

⁵⁸ Al-Ghazali, *Ihya Ulumuddin*.

⁵⁹ Irijanto, Shah, and Ismail, "The Thoughts of Economic Growth Theories of Classical Muslim Scholars, A Contribution."

Even Al-Ghazali stated about the significance of money; “The creation of dirhams and dinars (gold and silver coins) is one of Allah's gifts. All economic transactions are based on these two types of money. Dinars and Dirhams are metals that do not provide direct benefits. But people need it to exchange it for various other goods, such as food, clothing, and so on.”⁶⁰ Here Al-Ghazali understands the function of money as a medium of exchange and size. The exchange of goods and services will not be effective if it only relies on the barter system. At this point, you can see the benefits of God's creations called dinars and dirhams which have intrinsic value and can be used as a medium of exchange.⁶¹

To maintain the quality of money, Al-Ghazali strongly criticized hoarding money. The reason is that hoarding cash will eliminate the functions attached to money. Prohibit usury because it is contrary to the purpose of printing money itself, only as a medium of exchange and the standard value of goods, not as a commodity and buying and selling currency because it will create injustice in society and is very detrimental and disturbing and can be a possibility for economic exploitation and injustice in conducting transactions.⁶² The practice of buying and selling currency will create a practice of hoarding money which will lead to scarcity of money in society and money only circulating in certain circles, namely wealthy people.⁶³ Thus, the main function of money is as a medium of exchange, money cannot be traded or rented. In the context of buying and selling, money is only used as a medium of exchange, to facilitate the sharing of values and the exchange of goods and services. Money acts as a differentiator between sellers and buyers. Buyers provide money, while sellers provide products.⁶⁴

Al-Ghazali's opinion above gains its relevance as modern economic theory says that the amount of money in circulation and the number of goods available at the same time have an inverse relationship. If the money supply exceeds the number of goods available, inflation will occur. Conversely, if the money supply is less than the number of goods available, deflation will occur. These two economic diseases must be avoided so that the money supply and goods available in the market are balanced.⁶⁵ Al-Ghazali also disagreed that money has value as an art object because pure money functions as a medium of exchange and unit prices are nothing more. This is of course different in the current context, where a capitalist economy with

⁶⁰ Aravik, *Ekonomi Islam: Konsep, Teori Dan Aplikasi Serta Pandangan Pemikiran Ekonomi Islam Dari Abu Ubaid Sampai Al-Maududi*.

⁶¹ Irijanto, Shah, and Ismail, “The Thoughts of Economic Growth Theories of Classical Muslim Scholars, A Contribution.”

⁶² Al-Ghazali, *Ihya Ulumuddin*.

⁶³ Irijanto, Shah, and Ismail, “The Thoughts of Economic Growth Theories of Classical Muslim Scholars, A Contribution.”

⁶⁴ Ahmad Bachaqi, M. Nur A. Birton, and Fahmi Ali Hudaefi, “Time Value of Money in Islamic Accounting Practice: A Critical Analysis from Maqāṣid Al-Sharī‘ah,” *Journal of Islamic Accounting and Business Research* 11, no. 9 (2020): 2035–52, <https://doi.org/10.1108/JIABR-09-2018-0155>.

⁶⁵ Irijanto et al., “Al Ghazali’s Thoughts of Economic Growth Theory, A Contribution with System Thinking.”

the concept of fiat money, makes the issuance of this money not based on a guarantee of its stability in the future, this is what will trigger massive inflation.⁶⁶

4. Production Activities

Al-Ghazali pays considerable attention to the various types of production activities in society as well as their nature and hierarchy, although he does not discuss the efficiency-oriented "laws" of production found in contemporary economic texts.⁶⁷ Al-Ghazali describes production activities as activities that must be carried out by humans, including producing basic goods to meet various community needs and including *fardhu kifayah*. The basic needs that must be met first are primary, then secondary, and finally tertiary needs. In doing so, it must be carried out jointly and interrelated with one another to produce good goods.⁶⁸ The intention to carry out production activities is only to gain profits in the afterlife because the many profits obtained in this world will run out when the world ends, and that will make humans neglect the obligation to worship Allah swt.,⁶⁹ Because it is closely related to social interests, the main focus is on the type of activity that is following the basics of the Islamic ethos. Therefore, Islam teaches its people to prioritize economic and moral interests, related to production activities, and the maintenance of values and virtues taught by religion. The unity between economy and morals will be clearer in economic steps, both related to production, consumption, and distribution.⁷⁰

Regarding production activities, Al-Ghazali grouped them into three categories, namely; First, basic industries, which are included in this group are all industries that function to maintain human survival, such as agriculture, industry, construction, and activities carried out by the state to meet the basic needs of its citizens. Second, supporting activities, namely all types of industries that support the smooth performance of basic industries, such as the steel industry, exploration, and development of natural resources. Third, complementary activities, namely all types of industries that complement the two types of industries above, such as the milling and burning of agricultural products. Al-Ghazali acknowledged that the most important among the three groups was the basic industrial group, and in this last group, according to Al-Ghazali, the most important was the role of the state in encouraging cooperation and coordination.⁷¹

According to Al-Ghazali, before producing a finished product, there must be processes of changing raw materials - natural resources, of which there are three categories, namely mining goods, agricultural products, and livestock - into semi-finished goods and produce finished goods. or ready-to-use products. This of course requires the division of tasks for each individual according to their abilities and

⁶⁶ Firdaus and Pradhana, "The Concept of Money According to the Thought of Ibn Taymiyah and Imam Ghazali and Its Implementation in the Economic Field."

⁶⁷ Ghazanfar and Islahi, *Economic Thought of Al-Ghazali*.

⁶⁸ Al-Ghazali, *Ihya Ulumuddin*.

⁶⁹ Astuti, Habbe, and Abdul Wahab, "Islamic Economic Principles and Production Activities Thought of Imam Al-Ghazali From His Book 'Ihya' Ulum Al-Din'."

⁷⁰ Aravik, *Ekonomi Islam: Konsep, Teori Dan Aplikasi Serta Pandangan Pemikiran Ekonomi Islam Dari Abu Ubaid Sampai Al-Maududi*.

⁷¹ Ghazanfar and Islahi, *Economic Thought of Al-Ghazali*.

expertise. This aims to speed up production and increase time efficiency to produce a product. This thought explains that Al-Ghazali has connected how the production of goods produced and distributed is a consequence of the division of labor and work specialization, or in other words, Al-Ghazali has connected the theory of demand and supply that occurs with the market mechanism and then linking it to regional/international trade and linking it to the concept of money, especially as a medium of exchange and a measure of value as well as the government's role in the economy so that it continues to run in natural conditions without negative things, distortions that cause interests and welfare and prosperity to be achieved.⁷² Therefore, Al-Ghazali came to the conclusion that all production activities are carried out by humans to increase their wealth, both originating from natural resources and assets and invested so that it can be used for future generations.⁷³ The state must be responsible for guaranteeing the public's need for basic goods. In addition, an imbalance between the number of staple goods available and what is needed by the community tends to damage people's lives.⁷⁴

5. The Role of the State and Public Finance

Islam regards economic relations and behavior as a way of integrating society into a higher level of reality. To this end, a person is required to view his economic achievements as a means, not an end. All rules of conduct related to economic matters are addressed to individuals and groups. This group is organized into a form of government, which is represented by the state. The state is considered a basic institution that must exist to organize social life, create material and spiritual prosperity, and maintain and spread the faith.⁷⁵

There the state must be present in the form of carrying out an ideal justice system as the implementation of duties and responsibilities in the way of Allah, without discriminating even against himself or his people.⁷⁶ Because the state is a party that has the authority to lay down the basic rules that support and can protect economic growth and activity. Meanwhile, the true purpose of a state being established is to provide *maslahah* to all of its people without exception. *Maslahah* should be able to lead all members of society to prosperity in this world and the hereafter.⁷⁷ This responsibility gives a new dimension to the role of the state which enables it to adopt

⁷² Irijanto, Shah, and Ismail, "The Thoughts of Economic Growth Theories of Classical Muslim Scholars, A Contribution."

⁷³ Astuti, Habbe, and Abdul Wahab, "Islamic Economic Principles and Production Activities Thought of Imam Al-Ghazali From His Book "Ihya' Ulum Al-Din"."

⁷⁴ Aravik, *Ekonomi Islam: Konsep, Teori Dan Aplikasi Serta Pandangan Pemikiran Ekonomi Islam Dari Abu Ubaid Sampai Al-Maududi*.

⁷⁵ Zamir Iqbal and Abbas Mirakhor, *An Introduction to Islamic Finance: Theory and Practice* (New Jersey: John Wiley & Sons, 2011).

⁷⁶ Adnan Abd Rashid and Arifin Mamat, "Educational View of the Islamic Leadership : Are the Islamic Leaders Performing Their Responsibilities ?," *International Journal of Humanities and Social Science* 3, no. 3 (2013): 178–85.

⁷⁷ Ahmad Mahtum, "Intervensi Negara Dalam Ekonomi Ahmad," *Statistical Field Theor* 53, no. 9 (2019): 1689–99, <http://e-jurnal.unisda.ac.id/index.php/adilla/article/download/732/408/>.

policies that help Muslims carry out their religious obligations as well as possible,⁷⁸ including in the economic field.

According to Al-Ghazali, the state is an institution that is indispensable for the functioning of social obligations in society. The state and religion are inseparable pillars of social life, in which religion functions as the foundation while the state plays the role of reporter and protector. So that if one of these pillars is damaged, the community (people in particular) will be damaged too.⁷⁹ So the state's task is very heavy, including providing the necessities of life for every citizen, which is the duty of the state based on general customs and general rules that apply.⁸⁰

Al-Ghazali added that man's inability to fulfill all his own needs drives him to live in a civilized and cooperative society. However, tendencies like these, competition, and egoism can create conflict. Therefore, we need a joint rule to reduce this tendency. So the essential role of the state is to keep people living together in harmony and cooperation with others in making a living. The state must strive for the good of society through cooperation and reconciliation.⁸¹ In addition, the role of the state is a derivation of the concept of the caliphate and the consequence of collective obligations (*fard al-kifayah*) to realize *falāh*. The state is the holder of the mandate of Allah and His Messenger as well as the mandate of society to carry out collective tasks in realizing prosperity and (*al-adl wah ihsan*) for all people. In general, the role of this state will be related to efforts to realize the concept of an Islamic market and realize the goals of the Islamic economy as a whole.⁸²

In the context of public finance, Al-Ghazali started with the discourse on public loans as another source of state revenue. So the state can borrow development funds from the community as long as this is needed and there is a guarantee from the state. In addition, the state must ensure that it is capable of anticipating all possibilities that could lead to failure in repaying the loan. Therefore, state finances must be managed in such a way that expenses do not exceed needs and estimated revenues can fulfill the principle of repayment of loans in the future.

The state needs to be honest, efficient and not overreaching in managing public affairs. When the state acts openly, instability will emerge. Thus, without stability, prosperity will be in vain. On the other hand, even if only a little economic prosperity is realized, with steady stability this will be felt more by the public. Al-Ghazali looked at it from two sides of the budget, from the income and expenditure sides. According to Al-Ghazali state revenue should be collected from the entire population, both

⁷⁸ M. Kahf, "The Economic Role of State in Islam," *Seminar on Islamic Economics*, 1991, 2–27, <http://www.iefpedia.com/english/wp-content/uploads/2009/11/Economic-Role-of-State-in-Islam.pdf>.

⁷⁹ Ghazanfar and Islahi, *Economic Thought of Al-Ghazali*.

⁸⁰ Havis Aravik et al., "Afzalur Rahman's Thinking Contribution To The Islamic Economy From Epistemological Aspects To The Concept of Wages In Islam," *Islamic Banking: Jurnal Pemikiran Dan Pengembangan Perbankan Syariah* 8, no. 1 (2022): 97–124, <https://doi.org/10.36908/isbank.v8i1.488>.

⁸¹ Aravik, *Ekonomi Islam: Konsep, Teori Dan Aplikasi Serta Pandangan Pemikiran Ekonomi Islam Dari Abu Ubaid Sampai Al-Maududi*.

⁸² Havis Aravik, Achmad Irwan Hamzani, and Nur Khasanah, *Percikan Pemikiran Ekonomi Islam Kontemporer* (Pekalongan: PT. Nasya Expanding Management., 2022), https://www.google.co.id/books/edition/Percikan_Pemikiran_Ekonomi_Islam_Kontemporer/QUCDEAAAQBAJ?gbpv=0.

Muslims and non-Muslims, based on Islamic law. However, there are differences in the different types of income collected from each group. So Al-Ghazali concluded that almost all the revenues that the rulers of his time drew were against the law. Therefore, taxpayers should refuse to pay taxes and avoid contact with them. Furthermore, the current tax system is based on long-standing customs, not on divine law.⁸³

6. Economic Progress Through Justice, Peace, and Stability

The state is built to create security, calm, and peace for its citizens. A country that cannot achieve security, safety, and peace for its citizens is a failed state. Without guarantees of security, calm, and peace, it will be difficult for the nation's creativity to grow and develop into a superior civilization. Therefore, the prayer of Prophet Ibrahim AS when entering and opening an area is peace (QS. Ibrahim [14]: 35, An-Nahl [16]: 112).⁸⁴ A country that does not have maintained security stability will experience chaos due to prolonged violent conflict (QS. Hud [11]: 116, Hud [11]: 117, Hud [11]: 118, Hud [11]: 119). Therefore, it is necessary to have a leader who is just and with the justice of a leader in deciding a case and conflict of interest, so that disturbances to the security of the state remain under control and are maintained to develop programs to improve the people's economy (QS. An-Nisa' [4]: 58).⁸⁵ For this reason, to increase economic prosperity, the state must uphold justice, peace, and security, as well as stability. Al-Ghazali emphasized the need for justice and fair and balanced rules. "When there is injustice and oppression, people have no footing, cities, and regions become chaotic, people flee and move to other areas, rice fields and fields are abandoned, empires go to ruin, public revenues decrease, the national treasury is empty, and happiness and prosperity in society will disappear.⁸⁶ The people do not love an unjust ruler, instead, they always pray that misfortune befalls him." The state must take all necessary measures to enforce the conditions of internal and external security in which the "Army is required to defend and protect people from robbers. There must be courts to settle disputes, and laws and regulations are needed to control people's behavior and for social stability. These are important government functions that only experts can carry out, and when they undertake these activities, they cannot take the time to engage in other industries and they need support for their livelihoods. On the other hand, people need them because if everyone works in the defense sector, other industries will be neglected and if soldiers get involved in these industries to make a living, then the country will lack defenders and people will become victims."

In short, according to Al-Ghazali the state must be responsible for creating proper conditions for increasing prosperity and economic development. In addition, al-hisbah institutions that function to oversee detrimental market practices such as false claims about profits, false advertisements, incorrect scales and measurements, outrageous transactions, flawed contracts, transactions of illicit goods, and all other

⁸³ Aravik, *Ekonomi Islam: Konsep, Teori Dan Aplikasi Serta Pandangan Pemikiran Ekonomi Islam Dari Abu Ubaid Sampai Al-Maududi*.

⁸⁴ Musa Asy'ari, *Filsafat Ekonomi Islam* (Yogyakarta: Lesfi, 2015). h. 126

⁸⁵ Aravik, Hamzani, and Khasanah, *Percikan Pemikiran Ekonomi Islam Kontemporer*.

⁸⁶ Ghazanfar and Islahi, *Economic Thought of Al-Ghazali*.

agreements that contain fraud, etc. must be strengthened again.⁸⁷ In the book of advice, *al-muluk* (Advice to kings) Al-Ghazali warns rulers not to abuse power, be arrogant, be lulled by flattery, and be wary of fake scholars. On the other hand, Al-Ghazali also condemned bribery and corruption that occurred in the public sector, particularly in justice enforcement agencies. In the same vein, he warned the authorities not to indulge in worldly desires – something that is not only against Islamic values but also disturbing state administration. Apart from that, there are five kinds of public good (*maslahat al-'amah*) offered by Al-Ghazali and the government must facilitate the community so that they can achieve these, namely: a). Religion as a way of life. b). Soul life. c). Family and ancestry. d). Property rights and wealth. e). Intellectual The state has more authority in economic activity. However, the role of the state in economic activity must be limited, especially in terms of rigid and inflexible bureaucracy, and the state cannot have as much actual information about transaction activities in the market. Instead, the role of the state should be in the administration of economic activity, especially in the aspect of social justice.⁸⁸

Conclusion

As an expert in various fields of science, al-Ghazali's style of economic thinking has transcended his time. Al-Ghazali no longer saw economic problems only in one field of knowledge, but compared them in various other fields of science to produce comprehensive solutions. As *Homo Islamicus*, al-Ghazali sees humans as economic actors who are obliged to fulfill their needs to achieve *maslahah* and achieve *falah*. The human need to interact with other people to fulfill the need to produce transactions which in the end creates a market as a center for human transactions to fulfill various needs by bartering. However, barter was considered not commensurate with the value of goods, so money appeared as a means of transaction. To create a process of production, fulfillment of needs, and so on, the state must play a role in realizing all of this in a just and responsible manner as part of the implementation of duties and responsibilities in the way of Allah. Because the state was built only to create security, calm, and peace for its citizens. With that, there will be economic progress, with the fulfillment of clothing, food, and housing for every society, which ultimately creates *maslahah* and *falah* not only in this world but in the hereafter. Future researchers can build upon these findings by exploring how al-Ghazali's Sufistic economic concept compares to other Islamic economic theories or by examining specific applications of his economic thought in different contexts. Further research could also explore how al-Ghazali's ideas could be applied in contemporary Islamic financial institutions and explore the impact of these institutions on economic growth.

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⁸⁷ Aravik, *Ekonomi Islam: Konsep, Teori Dan Aplikasi Serta Pandangan Pemikiran Ekonomi Islam Dari Abu Ubaid Sampai Al-Maududi*.

⁸⁸ Aravik et al., "Afzalur Rahman's Thinking Contribution To The Islamic Economy From Epistemological Aspects To The Concept of Wages In Islam."

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