

The Construct of Economic Law Thought of Abul A'la Maududi in the Contemporary Era

Afri Hasni Putra^{1*}, Rahmat Husein Lubis²,

¹Nurul Hasanah Kutacane University, ²UIN Sheikh Ali Hasan Ahmad Addary Padangsidempuan

¹afriputra2399@gmail.com, ^{2*}rahmathusein172@gmail.com

Abstract: This study aims to find out how the construction of Islamic economic law thought from Abul A'la Maududi to the current development of contemporary Islamic economics. Abul A'la Maududi is a prominent Islamic economist. Abul A'la Maududi is better known in the socio-politics between Islam in the world. This type of research is a type of qualitative research with a method of collecting data through literature studies. Where the researcher will collect several book or journal materials related to the construction of Abul A'la Maududi's thought. And the researcher will analyze descriptively the construction of Abul A'la Maududi's Islamic economic legal thought. The result of this research is that Abul A'la Maududi's thinking on economic law seeks to offer a holistic system and in accordance with Islamic teachings. The principles he put forward underlined the importance of balancing individual and social interests, the fair distribution of wealth, and the role of the state in ensuring economic justice. In the contemporary era, the construction of Abul A'la Maududi's thought still has relevance, especially in efforts to overcome economic inequality and fight for economic justice based on Islamic values.

Keywords: *Construct Thought, Law Islamic Economics, Abul A'la Maududi*

INTRODUCTION

The development of contemporary Islamic economics in the 4.0 era which is towards 5.0 has undergone very rapid changes. However, the development of Islamic economics cannot be separated from the role of previous classical economic thinkers.¹ Various book literature discusses the story of historical journeys related to Islamic economics. The development of contemporary Islamic economics is influenced by rapid technological and communication advances. Some of the factors that affect the development of contemporary Islamic economics in the 4.0 era are as follows:²

1. Sharia Fintech: Sharia Fintech is a combination of financial technology and Sharia principles that allows for innovation in financial products and services that are in accordance with Sharia principles.

¹ Akhmad Rudi Maswanto, "Reactualization and Contextualization of Islamic Law Understanding in the Industrial Era 4.0," *CENDEKIA: Journal of Islamic Studies* 5, no. 2 (2020), <https://doi.org/10.37348/cendekia.v5i2.79>.

² Zulkifli et al., *Modern Islamic Thought*, ed. Yahya Novita and Ariyanto (Padang: PT. GLOBAL TECHNOLOGY EXECUTIVE, 2023).

2. Social Finance: Social finance is a business practice that considers social and environmental impacts, in addition to financial gains. This practice is in line with Islamic economic principles that emphasize social and environmental justice.
3. Digital Waqf: Digital Waqf is a technology application that facilitates the collection and management of waqf funds online, making it easier for the public to participate in waqf programs.
4. Sharia Crowdfunding: Sharia crowdfunding is a platform that facilitates the online collection of funds from the community for projects that are in accordance with Sharia principles.
5. Sharia E-commerce: Sharia e-commerce is a form of online business that follows Sharia principles, such as selling halal products and avoiding usury.³

The development of contemporary Islamic economics in the 4.0 era opens up wider business opportunities for Islamic economic actors. However, this also demands higher adaptability and innovation from Islamic economic actors. In addition, support from the government and financial institutions is also needed to facilitate and develop Islamic business practices that are in accordance with the demands of the times.

The background of Abul A'la Maududi's Islamic economic law thought began with the economic and political crisis that hit the Islamic world in the early 20th century. At that time, many Islamic countries became colonies or protectorates of Western powers. This leads to many economic and political problems, such as resource exploitation, deprivation of people's rights, and dependence on foreign countries. Abul A'la Maududi believes that one way to overcome this problem is to apply Islamic economic principles that are more just and just. According to him, Islamic economic law is not just about avoiding usury or interest, but also about improving the overall economic system, such as a more equitable distribution of wealth, protection of human rights, and strengthening the local economy. Abul A'la Maududi emphasized the importance of involving religion in all aspects of life, including in the economic field. He rejects the view that religion has no place in economics and that economics should be completely separate from religion. For Abul A'la Maududi, Islamic economic law is part of a broader Islamic legal system that covers all aspects of life.

Abul A'la Maududi also emphasized the importance of building an economy based on cooperatives and small and medium entrepreneurs. According to him, this can help reduce dependence on large foreign-controlled companies and provide greater opportunities for local

³ Heni Hirawati and Mugi Harsono, "Islamic Financial Technology in the Study of Philosophy of Science," *Equity Journal* 4, no. 3 (2023): 850–60, <https://doi.org/10.47065/ekuitas.v4i3.2711>.

communities to take part in economic development. Overall, Abul A'la Maududi's construction of Islamic economic law was based on his belief that Islam had economic concepts that could help solve economic and political problems in the Islamic world. He believes that Islamic economic law is not only essential to meet the demands of religion, but also to achieve social justice and economic prosperity for all mankind. The direct impact of Maududi's thought on economic policies in contemporary Muslim countries. More research is needed to understand the extent to which Maududi's ideas influenced the economic policies of Islamic countries, especially in terms of wealth distribution, poverty alleviation, and Islamic banking policies.

In the research journal article ⁴, it discusses how Abul A'la Maududi's thoughts are related to Islamic politics. And in the research of the journal article ⁵, it discusses how the study of Abul A'la Maududi's thought is related to Islamic economics. And in the research of the journal article ⁶, it discusses how the concept of the state is for Abul A'la Maududi's view as an Islamic thinker. This is in contrast to my current research article, where I examine that although many of the economic concepts put forward by Abul A'la Maududi are relevant to modern Islamic economics, there are still limitations in their application in more complex contemporary economic systems. Further research is needed to explore how the principles proposed by Maududi can be adapted in a global economic system that has diverse market structures, regulations, and policies. Maududi is more normative and idealistic, while thinkers such as Fazlur Rahman or al-Qaradawi are more contextual and adaptive to the modern world. In the context ⁷ of contemporary law, Maududi's approach is often considered too rigid for a pluralistic society, but it remains important as the ideological foundation of the law-centric Islamic movement. It is an in-depth and comparative study of the legal dimension (not just politics) in Maududi's thought and its relevance in the modern era. It is expected to make a theoretical contribution to the development of contemporary Islamic legal philosophy, especially in answering the question of how Islamic law can exist in the modern legal system without losing divine principles. There have not been many studies that highlight the

⁴ Inong Satriadi and Khairana, "Abul A'la al-Maududi's Thoughts on Islamic Politics," *International Conference on Humanity, Law and Sharia (ICHL&Sh)* 14, no. 15 (2019): 195–201.

⁵ Moh. Faizal, "A Study of Abu A'la Al-Maududi's Thought on Islamic Economics," *Islamic Banking Journal* 2, no. 1 (2019): 83–98.

⁶ Dian Pertiwi, Jamal Mirdad, and Mami Nofrianti, "Exploring the Concept of the State According to Islamic Thinkers," *Al-Imarah: A Journal of Islamic Government and Politics* 6, no. 2 (2021): 278–91.

⁷ L Nucci, M R Rahnema, and A Heydari, "Analysis the Process and Priorities of Urbanization in the Mashhad City After Islamic Revolution of Iran," *International Journal*, 2016, <https://www.academia.edu/download/81249492/1056588.pdf>.

relevance and problematics of the application of Maududi's legal thought in the context of today's democratic, pluralistic, and globalized legal state.

METHOD

In this paper, the researcher refers to the type of *library research* in literature. And for the research method, the researcher uses qualitative research with a descriptive approach⁸. And the secondary data of the researcher will use several books, scientific journals, and several websites related to the title of this research paper. The primary data from this study is with original works and translations from Abul A'la Maududi. The researcher will collect these reference sources and then will be described in the form of a narrative related to the construction of sharia economic law by Abul A'la Maududi on the development of contemporary Islamic economics.⁹ The focus is on a conceptual and philosophical analysis of Abul A'la Maududi's legal ideas, by examining his major works (*Islamic Law and Constitution, Towards Understanding Islam (Risalah Diniyyah), The Process of Islamic Revolution, and Islamic Way of Life*), the ¹⁰interpretations of experts, and the socio-political context behind them.

RESULTS AND DISCUSSION

Biography of Abul A'la Maududi

Abul A'la Maududi was a Muslim known for his fundamentalism. Abul A'la Maududi was famous in Pakistan for his political system was very influential at the time. Abul A'la Maududi was born on September 2, 1903 or 3 Rajab 1321 H in Aungerabad near Hyderabad, India. Then Abul A'la Maududi died on September 22, 1979 in Buffalo, New York. Abul A'la Maududi was the third child, his father was named Ahmad Hasan. The father of Abul A'la Maududi was known to be a very genius where it can be seen that his father was a graduate of the Anglo Mohammedan Oriental College. Abul A'la Maududi still has a lineage of the Prophet Muhammad SAW. His father was a lawyer and was very active in tawasuf. Abul A'la Maududi's father was known for his intelligence and care for his children's education. He tries to get his children to get *a sharia culture*. The education system given by Abul A'la Maududi's father to his children is more inclined to the classical system. Where in his pursuit he did not teach his children English and modern styles. He only gave languages such as Persian, Arabic, and Urdu. This has an impact on Abul A'la Maududi's intelligence to speak Urdu at a young age.¹¹

⁸ Suggestion, *Qualitative Research* (Bandung: CV. Alfabeta, 2008).

⁹ Peter Mahmud Marzuki, *Legal Research* (Jakarta: Kencana, 2015).

¹⁰ A A Al-Maududi, "Islamic Way of Life," *Karachi: Islamic Research Academy*, 1967.

¹¹ Moh. Azwar Hairul, "Anthropomorphism in the Book of Tafhim Al-Qur 'an By Abu A'la Al-Maududi," *AL-Wajid Journal* 3, no. 2 (2022): 3–12.

Abul A'la Maududi was born from an aristocratic nation in Aurangabad which was still under the British Empire. Anglo Mohammedan Oriental College was the founding university of Sayyid Ahmad Khan in the 1875s. Anglo Mohammedan Oriental College is more inclined towards modernist thinking among Muslims.¹² However, Abul A'la Maududi left his lecture because of the disapproval of his parents at that time. This is because Abul A'la Maududi received his education in Allahabad or now under the name of Prayagraj with a more traditional system. Abul A'la Maududi's childhood was active in the Sufi community and he became a supervisor in one of the Islamic education with the traditional system. At the age of 11, Abul A'la Maududi began to move to an Islamic school or *Madrasah*. However, Abul A'la Maududi did not have time to complete his education at the Islamic school because his family had experienced an economic crisis and resulted in Abul A'la Maududi not being able to become a scholar or *alim*.¹³

Thus, Abul A'la Maududi began to do an education from his own home with the help of his parents' guidance. Then moving to school education under Abul A'la Maududi started attending *Faqaniyat* Religious High School. After Abul A'la Maududi completed his education at *the Faqaniyat* Religious High School, he continued his higher education at a college called *Dar al-Ulum* in Hiderabad. However, because his father died, Abul A'la Maududi did not complete his higher education. Later Abul A'la Maududi went to Delhi, where he worked in one of the Islamic publications there. When Abul A'la Maududi had free time to work, He devoted himself to self-taught or independent study. Abul A'la Maududi will read several books on Tafsir, Arabic, Mantik, and Philosophy. Because Abul A'la Maududi was proficient in foreign languages such as English, Arabic, Persian, and Urdu, it had an impact on the value of Abul A'la Maududi in exploring science in a self-taught manner.

In 1918 Abul A'la Maududi was a journalist. Abul A'la Maududi helped his brother manage a magazine called *Al-Madinat*. As time went by, since Abul A'la Maududi worked at the printing house, Abul A'la Maududi was appointed as the editor of the Urdu and *Taj-language newspapers*, published by Jabalpore. Not long after waiting for a long time from the position of editor, Abul A'la Maududi was appointed as the head *of the Muslim newspapers, al-Jam'iyyat* and *'Ulama al-Hindi* in 1921-1923. In the 1920s from an Islamic newspaper published by Abul A'la Maududi that there was one Islamic newspaper that had an influence on the Indian population. Then in the 1932s that

¹² F Hassan and U Sabli, "Islam as a Way of Life: The Representation of Islamic Teachings in Non-Islamic Film," *Retried from: Http://Conference. Quiz. Edu ...*, 2018, [https:// conference.uis. edu.my/pasak3/ images/ eprosiding1/PASAK3_2124.pdf](https://conference.uis.edu.my/pasak3/images/eprosiding1/PASAK3_2124.pdf).

¹³ Hassan and Sabli.

Abul A'la Maududi became the leader of the magazine *Tarjuman al-Qur'an* in Hyderabad which was oriented towards the revival of Islam. When Abul A'la Maududi grew up, he thought that if he became an Islamic economic thinker, he had to be outside the rules of Western civilization which were synonymous with cultural rules, rules of life, political rules, and even Islamic economic rules.¹⁴

As time went on in 1941 Abul A'la Maududi succeeded in establishing the *Islamic Jama'at*. The purpose of Abul A'la Maududi to educate the *Islamic Jama'at* is none other than to carry out a reform. This reform was based on the separation of the state of Pakistan from India in 1947. Abul A'la Maududi succeeded in bringing Pakistan to escape from India, which at that time was a secular country under Western rule. Abul A'la Maududi also shaped the Islamic political and economic system. From 1948 to 1950 and from 1953 to 1955 Abul A'la Maududi was found to be too much against the Pakistani government and was eventually imprisoned. In 1953, Abul A'la Maududi was sentenced to death.

Abul A'la Maududi wrote a lot related to Islamic history, philosophy, jurisprudence, theology, sociology, law, and economics. Abul A'la Maududi tried to control the world through a political approach in accordance with sharia principles. Where he explained that it is related to the rules of Islamic law and morals that have been set by God. He argued that Islam is universal in nature and always develops according to the times. According to him, a country must be able to embrace Islamic values. Although there are still non-Muslims living in the majority of Muslims. Of the various writings of Abul A'la Maududi, many have been translated indirectly in various worlds. However, Abul A'la Maududi's struggle to proclaim Pakistan as a country that built a Caliphate system did not arrive¹⁵. Although in the end only part of the state of Pakistan proclaimed itself as the Islamic Republic of Pakistan in 1399 H/ 1979 AD. Even though Abul A'la Maududi has passed away until now, his works can still be read by every circle and at any time.

Some of the writings of Abu A'la Maududi are:¹⁶

1. *Tafhim al-Qur'an*

The work of Abu A'la Maududi with the title *Tafhim al-Qur'an* is a written work that contains the interpretation of the Qur'an. Abu A'la Maududi in this book presents several verses of the Quran in a contextual and systematic manner so that the reader can understand what is in the interpretation.

¹⁴ Zahra Shella Anggreini et al., "The Islamic Economic Thought of Abu A'la Al-Maududi," *Ad-Deenar Journal: Journal of Islamic Economics and Business* 6, no. 1 (2022): 37–56.

¹⁵ Samar Sultana and Syed Asim Ali, "A Review of Political Philosophy of Syed Abul A'ala Maududi," *Jibat-ul-Islam* 15, no. 01 (2021): 157–75.

¹⁶ Moh. Azwar Hairul, "Anthropomorphism in the Book of Tafhim Al-Qur'an Karya Abu A'la Al-Maududi."

2. *Jihad in Islam*

Abu A'la Abul A'la Abul A'la Maududi with the title *Jihad in Islam* is a written work that contains how the concept of jihad actually is in Islam. Abu A'la Abul A'la Abul A'la Maududi also conveyed through the writing of this book how it is said to be jihad in Islam, both in terms of defending Islam, justice in Islam, and freedom in Islam.

3. *Towards Understanding Islam*

Abu A'la Abul A'la Abul A'la Maududi with the title *Towards Understanding Islam* is a written work that contains the teachings in Islam. The teachings in question are Hajj, fasting, zakat, prayer, and tauhid. In the book *Towards Understanding Islam*, Abu A'la Abul A'la Abul A'la Maududi wrote it in easy language so that anyone who reads the book can easily understand the content of the book.¹⁷

4. *The Process of Islamic Revolution*

The work of Abu A'la Abul A'la Abul A'la Maududi with the title *The Process of Islamic Revolution* is a book written by Abul A'la Maududi which in the book discusses the process of social change in Muslim society.¹⁸ In addition, this book also discusses how the development of the political system occurs on the principles of Islamic law.

5. *Human Rights in Islam*

The last work of Abu A'la Abul A'la Abul A'la Maududi is titled *Human Rights in Islam*. This book by Abu A'la Abul A'la Abul A'la Maududi is a book in which it discusses the rights of a person, be it individual rights, social rights, and the responsibility of society in protecting these rights.

From several works written by Abul A'la Maudidi in the form of books, Abul A'la Maudidi is a modern Islamic thinker who can contribute to the application of Islamic teachings.¹⁹

¹⁷ C A O Nieuwenhuijze, "The Qur'an as a Factor in the Islamic Way of Life," *Der Islam; Zeitschrift für Geschichte und ...*, 1963, <https://search.proquest.com/openview/26102a0d812c58da19f5a16a2b4d910a/1?pq-origsite=gscholar%5C&cbl=1816825>.

¹⁸ S O Alhabshi, *Towards a Comprehensive Development of Islamic Finance: Based on Islam as a Complete Way of Life* (sid.ir, 2017), https://www.sid.ir/en/VEWSSID/s_pdf/433e20170102.pdf.

¹⁹ Nur Anis Rochmawati, "The Socio-Political Dimension of Abu A'la Al-Maududi in Tafsir Al-Qur'an," *Al-Munir: Journal of Qur'an and Tafsir* 4, no. 1 (2022).

Abul A'la Maududi's Social Setting

Because Abul A'la Maududi was someone who was born in the midst of a mixture of civilizations between modern civilization and British communists. This resulted in the community around Abul A'la Maududi at that time not being able to fully accept and justify the teachings of Islam with the principles of sharia openly.²⁰

Born in the early 20th century in India and Pakistan, Abul A'la Maududi was a region where most of the British empire was located. Abul A'la Maududi, who is known as a pious person because he was raised in a family, will obey the traditional Islamic religious teachings that he got from Abul A'la Maududi at an early age. India and Pakistan at that time were mostly at war with the British colony to fight for independence.²¹ And everywhere there are various religious, ethnic, and political conflicts. India and Pakistan were experiencing a huge political and social upheaval at the time. The goal of the local community at that time was a revival of Indian nationalism and an independence driven under the leadership of Mahatta Gandhi. Mahatta Gandhi has influenced a community of Muslims a lot.

In the previous decades that India was also used as a field of competition between traditional and modern ideas by some of the earlier thinkers. The consequences of western education that have entered the territory of India have caused thinkers and socio-political activists to be affected by it and it is unlikely that Abul A'la Maududi was also affected by western education. But although western education was very much about a change in a thinker at that time it could not be fully influenced, because at the same time traditional values such as religion passed on by the family were still strong in Pakistani and Indian society.

It can be concluded from this incident that Abul A'la Maududi as an Islamic thinker experienced many challenges and opportunities. Abul A'la Maududi dared to try to overcome a conflict and the tension that occurred, both a tradition and modernity. Abul A'la Maududi also gave an illustration to the Muslim community on how to alternative a complex and dynamic lifestyle. In his opinion, Abul A'la Maududi tried to balance the ancient teachings of Islam with the teachings of modern Islam. And Abul A'la Maududi also led an Islamic political movement that has had a great influence on Muslim communities around the world until today.

²⁰ Ikrima Amira Ahadiya and Widinda Arum Rahmaningtias, "The Implementation of Al Maududi's Political Thought in Contemporary Political Dynamics," *POLITEA: Journal of Islamic Politics* 5, no. 1 (2022): 17–36.

²¹ Daud Raysid, "Al-Mawdudi, Da'i and Contemporary Muslim Thinkers," *Al-Risalah: Journal of the Study of Religion and Islamic Thought* 9, no. 1 (2020): 44–61.

The Purpose of Islamic Economics according to Abul A'la Maududi

Abul A'la Maududi, who is known for his thinking on Islamic economics, explained a lot about what the Islamic economic system looks like. Abul A'la Maududi explained that Islamic economics is how Islam regulates the economic system, but Islam teaches people through the source of its teachings, namely the Qur'an and Hadith. Islamic economics is not only for profit, but the Islamic economic system thinks about how to go to the hereafter. So Abul A'la Maududi summarizes that economics in Islam has three purpose functions, namely:²²

1. Economics in Islam is individual freedom.

Abul A'la Maududi explained that economics in Islam gives every individual freedom in implementing the economic system, but it is still limited to certain levels of economic activities. The first reason from Abul A'la Maududi said this is because a person's responsibility is carried out individually to Allah SWT, not in a collective way.²³ Thus, Islam provides rules to human beings in carrying out economic activities individually and these limits are made if a person is really no longer on the right path. This first goal system makes economic activities carried out by humans so that there is no tyrannical system that can cause the development of human death.

2. Economics in Islam is harmony in the development of Material and Moral.

Abul A'la Maududi explained that economics in Islam is the second goal of a person who as an economic actor has the spirit of generosity, generosity, and other goodness. That is why Islam has never relied on the law as a whole to uphold a social justice. However, Islam gives authority to humans to shape their morals such as faith, piety, education, and others.²⁴

3. Economics in Islam is compatibility, cooperation, and the upholding of justice

Abul A'la Maududi explained that the third goal of economics in Islam means that the system in the economy does not discriminate between human social classes. Where there are two social classes of humans, namely the first social class that is made by itself, so that justice is not achieved in it. And it causes the Islamic economy to be the same as the Capitalist, Feudal, and Brahmin economic system. Then the two social classes are formed

²² (Maududi, 1946-1972)

²³ Akhmad Hafandi and Masdar Helmy, "Creating A Social Justice Trough Zakat And Its Relevance To Poverty Alleviation: A Perspective Of Abul A 'La Al -Maududi," *An-Nisbah: Journal of Sharia Economics* 08, no. 1 (2021): 1–31.

²⁴ Abdul Gafur, Ansharullah, and Fahrudin, "Riba According to the Thought of Al-Gzalai, Ar-Razi, Ad-Dahlawi, Al-Maududi," *Journal Of Islamic And Law Studies* 6, no. 2 (2022): 9–17.

naturally, where there is a distinction to respect the differences in abilities and conditions of the society.

The Classical Theory of Abul A'la Maududi

Abul A'la Maududi is famous for his thinking of having a classical theory related to how the concept of flowers is in Islam. In addition to Abul A'la Maududi's classical theory of the theory of flowers rationally, he also initiated other theories related to the negative impact of the theory of flowers.²⁵ The following are some of Abul A'la Maududi's classic theories on the negative impact of flower theory:

1. Risk Receivables Theory

In this theory, Abul A'la Maududi explained that the risk of a creditor is because his capital is lent to those who need funds. Even though he himself is in need of something so that his desire is postponed solely for the sake of achieving the needs of others. If someone lends money to the needy, he should get a profit. If the debtor uses the capital for his personal desires, he must pay rent for furniture or houses, or vehicles.²⁶ The rent in question is a compensation for a risk that will be borne by a borrower or creditor for a reward and at the same time the borrowed money can be returned. If a capital borrower continues to invest in a business that can provide a profit that is not excessive and fair if the capital lender immediately demands a portion of the profit. Abul A'la Maududi's intention here is that if a capital owner wants a reasonable profit, it is by looking for a *partner* or businessman, not by giving a loan by applying an interest.

2. Profit-Making Lending Theory

In this theory, Abul A'la Maududi explained that if the borrower who has received the loan money is not given a time limit to get a profit from the loaned capital. The borrower will not get such a profit. This is because when the capital is invested, there is a price that will certainly get a profit. Thus that a creditor should not be named the profits from the loan enjoyed. The rise and fall of a profit will occur at any time and a creditor is not allowed to use the property for a long time.

²⁵ (Maududi, 1946-1972)

²⁶ Siti Rohmah, Moh. Anas Kholish, and Andi Muhammad Galib, "Human Rights And Islamic Law Discourse: The Epistemological Construction Of Abul A'la Al-Maududi, Abdullahi Ahmed An-Naim, And Mashood A. Baderin," *Justicia Islamica: Journal of Legal and Social Studies* 19, no. 1 (2022): 153–70, <https://doi.org/10.21154/justicia.v19i1.3282>.

3. Capital Productivity Theory

In this theory, Abul A'la Maududi explained that in the economic system the most important thing is capital in its production. Further explanation that there is a market form for capital or services of production machinery and a concrete form in a capital. The theory of capital productivity in his view means a capital that has the power to produce a good in greater quantities than that capital produces, or a value of the proceeds of foreign capital that has been owned at the beginning. From the productivity of capital, interest is usually terminated during the production process.

However, if capital and productivity are considered to be the same unit, for example, capital will produce a profit and productivity is always attached to a capital. It will cause economic slump. Because the capital invested will cause the profit to be depleted and the profit will become a loss.

4. The Theory of the Value of Goods in the Future Is Lower Than the Value of Goods in the Present

Many economic thinkers speculate on the theory of the value of goods in the future. They argue that human beings will essentially prioritize a present satisfaction over the future. Later man will also prioritize a present will over a future will. The experts' explanation of the interest phenomenon is formulated in "the value of goods now is much lower than the value of goods in the future". To put it more simply, interest is considered as *an agio* owned of an item in the present time will undergo changes and exchanges of goods in the future

Construct of Islamic Economic Law Abul A'la Maududi

Regarding the determination of Islamic economic law, Abul A'la Maududi is more focused on criticizing the issue of the concept of interest in Islamic economic activities. According to Abul A'la Maududi, interest has nothing to do with fixed capital, even though the borrowed capital experiences profits and losses. Abul A'la Maududi explained with Islamic teachings that the interest has nothing to do with the money lent to the person who needs the funds.²⁷ If a person wants a profit that is more than a capital, then that person should have to join a cooperation contract or become a shareholder. So that there will be the creation of a fair economy and the creation of a prosperous economy. The problem of Islamic economic activities today is the lack of a method of determining *Ijtihad* and not trying to find a solution to *ijtihad* against an Islamic economic law, and

²⁷ Ahadiya and Rahmaningtias, "The Implementation of Al Maududi's Political Thought in Contemporary Political Dynamics."

prioritizing a profitable economic system even though the economy uses the name of the Islamic economic system.²⁸ The peak of Abul A'la Maududi's thought construct related to Islamic economic law, especially regarding *Riba*, began from Faizur Rahman's opinion in a local newspaper printed on September 22, 1963, where Faizur Rahman said clearly and straightforward that *Riba* that is still light is still categorized as halal and while if *Riba* has multiplied it is categorized as haram.²⁹ This is where Abul A'la Maududi gave a statement. First, is the interest part of a reward for self-restraint? and Second, is the interest as rent payment?. It is from Abul A'la Maududi that he emphasizes the importance of applying Islamic principles in the economic field, which is in line with Islam's goal of creating social justice and eliminating poverty.

Some of the important concepts in Islamic economic law according to Abul A'la Abul A'la Maududi include:³⁰

1. Social justice: This principle emphasizes the importance of fair and equitable distribution in the distribution of wealth and economic resources. Social justice in Islamic economic law includes principles such as zakat, infaq, and shadaqah that ensure that wealth and resources are used for the common good.
2. Prohibition of usury: Abul A'la Abul A'la Maududi emphasized the importance of the prohibition of usury in Islamic economic law. *Riba* is an unfair practice and detrimental to society, so it must be avoided.
3. Public ownership: Abul A'la Abul A'la Maududi views that public ownership is an important principle in Islamic economic law. Public ownership in Islamic economic law can be realized through various forms such as waqf, infaq, and zakat.
4. State obligations: Abul A'la Abul A'la Maududi emphasized the importance of the state's role in maintaining economic balance and creating social justice. The state has an obligation to regulate and supervise economic activities so as not to cause injustice and harm the community.
5. Shared prosperity: This principle emphasizes the importance of creating shared prosperity in society. Prosperity is not only limited to a certain group, but must be enjoyed by the entire community.

²⁸ Ramadhan Razali, Sutan Febriansyah, and Hilmi, "AL-MAUDUDI'S ECONOMIC THOUGHT IN THE PERSPECTIVE OF POST-MODERNISM," *Journal of Economics and Business* 22, no. 1 (2020).

²⁹ Khoirul Anwar, "Affirmation of Fiqh on Customary Law and State Law," *LISAN AL-HAL: Journal of the Development of Thought and Culture* 13, no. 1 (2019): 119–36, <https://doi.org/10.35316/lisanalhal.v13i1.452>.

³⁰ Shaheen Kattiparambil, "Sherif, M. A. Facets of Faith – Malek Bennabi and Abul A'la Maududi: The Early Life and Selected Writings of Two Great Thinkers of the Twentieth Century," *Islamic Book Trust*, 2020, 116–19.

The concepts of Islamic economic law according to Abul A'la Abul A'la Maududi emphasize the importance of social justice, the prohibition of usury, public ownership, the role of the state, and common prosperity. These concepts are expected to create a sustainable economy and ensure shared prosperity in society.

Abul A'la A'la Mududi's Thoughts on Contemporary Islamic Economics

Abul A'la Maududi's thought has had a significant influence on contemporary Islamic economics, especially in the basic principles that promote economic justice, wealth equity, and protection of social welfare.³¹ Some of the key implications of his thinking on contemporary Islamic economics include:³²

1. Principles of Justice and Equitable Distribution of Wealth

Maududi emphasized the importance of equitable distribution of wealth through the mechanism of zakat and resource management in accordance with Islamic teachings. In contemporary Islamic economics, this principle is implemented in the form of a structured zakat system, waqf, and philanthropic initiatives that aim to distribute wealth to the wider community.³³ Many Muslim countries and Islamic financial institutions have established zakat and waqf institutions to help underprivileged groups, while supporting community-based economic development.

2. The Prohibition of Riba and the Development of the Islamic Banking System

One of the main points in Maududi's economic thinking is the prohibition of usury, which according to him is a source of economic injustice. This inspired the development of an Islamic banking system that uses *profit-sharing* concepts such as *mudharabah* and *musharakah* as a substitute for interest. Islamic banking in various countries, including Indonesia, Malaysia, and several Middle Eastern countries, has implemented profit-sharing contracts and usury-free transactions, which are based on economic principles proposed by Maududi.

3. Private Ownership in Favor of Social Interests

According to Maududi, private ownership in Islam is limited by social responsibility. This means that a Muslim has the right to his property, but must still consider social welfare. This principle encourages contemporary Muslim entrepreneurs to engage in business activities that

³¹ Nurul Fahmi, "Norms and Values in Islamic Economics," *TASAMUH: Journal of Islamic Studies* 11, no. 1 (2019): 105–23, <https://doi.org/10.47945/tasamuh.v11i1.175>.

³² Mujiatun Ridawati, "REDEFINITION OF INDONESIAN ISLAMIC ECONOMIC SCIENCE (Study of Islamic Economic Thought Adiwarman Azwar Karim)," *Journal of Basic Education and Social Humanities* 1, no. 2 (2021).

³³ Atin Meriati Isnaini, "Legal Standards of the Sharia System in Non-Bank Financial Institutions in the Form of Sharia Insurance," *Journal UnizarLawReview* 2, no. 2 (2019): 180–89.

are not only beneficial to individuals but also beneficial to society. Many Muslim corporations and entrepreneurs are now more concerned about social sustainability by implementing Corporate Social Responsibility (CSR) policies that focus on community and environmental empowerment.

4. The Role of the State in Ensuring Economic Justice

Maududi argues that the state has an important role to play in upholding Islamic economic principles, such as ensuring a fair distribution of wealth, protecting the weak, and supervising economic activities. In the context of contemporary Islamic economics, this role is reflected in the form of government policies in Muslim countries that support Islamic economics.³⁴ The government's policies in supporting Islamic finance and investment, such as the establishment of Islamic financial institutions, sharia-based tax rules, and social welfare programs, are a manifestation of Maududi's view of the role of the state in the Islamic economy.

5. Economic Independence of the Ummah and Development of MSMEs

Maududi taught the importance of economic independence for the Muslim community, by encouraging independent business activities and Islamic community cooperation. This is relevant in the contemporary era, especially in the context of the development of sharia-based Micro, Small, and Medium Enterprises (MSMEs). Many Muslim countries and sharia organizations provide support in the form of sharia microfinance and entrepreneurship training for MSMEs to promote economic independence and poverty reduction among Muslims.

6. Exploitation Free Business and Trade Setup

Maududi encourages the concept of fair trade and opposes exploitative practices in business.³⁵ In contemporary Islamic economics, this view is implemented in the form of sharia trade rules that prohibit price manipulation, monopolies, and other unfair practices. The concept of fair and transparent trade is applied in the modern Islamic economy through regulations such as the prohibition of gharar (ambiguity in transactions) and the enforcement of high accountability in business.

³⁴ Sultana and Syed Asim Ali, "A Review of Political Philosophy of Syed Abul A'ala Maududi."

³⁵ Anwar Fatoni et al., "The Reality of the Implementation of the Sharia Economic System in Muslim Minority Countries," *Ijtihad : Journal of Islamic Law and Economics* 15, no. 2 (2022): 283, <https://doi.org/10.21111/ijtihad.v15i2.5535>.

7. Economic Empowerment through Islamic Philanthropy

Maududi believes that Islamic philanthropy such as zakat, infaq, and waqf should be managed to support social needs and improve public welfare. In the contemporary era, Islamic philanthropy has developed into one of the important pillars in the Islamic economy. In many Muslim countries, the management of zakat and waqf is increasingly structured through professional philanthropic organizations, with a focus on sustainable economic projects such as the establishment of hospitals, schools, and small businesses to help the poor.

8. The Influence of Islamic Ethics on Contemporary Business

Maududi emphasized that business and economics in Islam must be conducted ethically, avoiding fraud and dishonesty. These principles are applied in contemporary Islamic economics as a standard for conducting business in accordance with Islamic ethics. Business practices that meet sharia ethical standards are the main foundation in various sectors of the sharia economy today, with sharia audits as a supervisory mechanism to maintain sharia-compliant business integrity.

Maududi's thought remains normative and ideological relevance in the context of today's Muslim world, especially in the midst of moral, political, and legal identity crises. Some aspects that are still relevant include:

1) Criticism of legal secularism.

Maududi reminded that laws that are independent of moral and spiritual values will lose their ethical direction. In the midst of the tendency of legal relativism and the dominance of economic-political interests, the idea that law must have a divine moral foundation remains important.

2) Affirmation of the supremacy of the values of justice and social responsibility.

He sees Islamic law as a means of creating a just society, not just a criminal apparatus or state administration.

3) Unity between religion and politics.

In the context of Muslim countries that are still looking for a form of relationship between religion and the state, Maududi's thinking provides an ideological framework for *governance* based on monotheistic values.

However, from a practical and epistemological perspective, Maududi's thinking needs to be reinterpreted to fit the reality of a plural, democratic, and global modern society. Maududi builds a legal construction in the context of the homogeneity of Muslims. In today's era, society consists of various religions, ethnicities, and legal systems. Therefore, the concept *of hakimiyyat Allah* (God's

sovereignty) needs to be reinterpreted so as not to contradict the principles of *citizenship equality* and human rights. Maududi's version of theo-democracy rejects the sovereignty of the people absolutely. In fact, in the contemporary context, democracy is considered the most ethical mechanism to maintain social justice and political accountability. Therefore, reinterpretation is needed to find a common ground between God's sovereignty and the participation of the people. Maududi emphasizes a lot on normative textual aspects. In today's era, Islamic law develops through the approach of *maqasid* (sharia goals), *maslahah*, and contextual *ijtihad*, which is more adaptive to social, technological, and globalization of law.

Thus, Maududi's thinking remains relevant, but only if it is through critical reinterpretation. This reinterpretation does not mean rejecting the substance of monotheism or sharia that he initiated, but translating it in the framework of modern society, Maududi's thinking about *the Hakimiyyat of Allah* can be interpreted as the sovereignty of the values of justice, ethics, and divine morality, not a monopoly of religious authority. And his thoughts on *Theo-democracy* can be reconstructed into a democracy with Islamic values, where the participation of the people is still respected within the limits of sharia principles oriented towards justice and benefit.

CONCLUSION

Al Maududi's thinking has been applied in several fields of Islamic banking, Islamic investment, Islamic insurance, Islamic capital markets, and so on. The relevance of his thinking can contribute to the development of contemporary Islamic economics, this can be seen in the concept of Islamic economic law of Abul A'la Maududi which emphasizes that *riba* is something that is not allowed and Abul A'la Maududi thinks that *riba* is haram. Then on the construction of Abul A'la Maududi's thoughts regarding the construction of Islamic economic law such as *zakat*, *infaq*, and *shadaqah*. Abul A'la Maududi has explained it in his book entitled *Towards Understanding Islam* how to measure in implementing *zakat*, *infaq*, and *shadaqah* in Islamic law. By applying sharia principles and paying attention to moral and ethical values, the Islamic economy can achieve long-term sustainability and provide benefits to society in general.

LITERATURE

- Ahadiya, Ikrima Amira, And Widinda Arum Rahmaningtias. "The Implementation of Al Maududi's Political Thought in Contemporary Political Dynamics." *POLITEA: Journal of Islamic Politics* 5, No. 1 (2022): 17–36.
- Al-Maududi, A A. "Islamic Way Of Life." *Karachi: Islamic Research Academy*, 1967.
- Alhabshi, S O. *Towards A Comprehensive Development Of Islamic Finance: Based On Islam As A Complete Way Of Life*. Sid.Ir, 2017. https://www.sid.ir/En/VEWSSID/S_Pdf/433e20170102.Pdf.
- Anggreini, Zahra Shella, Silviana Nur, Indah Sari, and Abdullah Zahid Zidny. "Islamic Economic Thought Abu A'la Al-Maududi." *Ad-Deenar Journal: Journal of Islamic Economics and Business* 6, no. 1 (2022): 37–56.
- Anwar, Khoirul. "Affirmation of Fiqh on Customary Law and State Law." *LISAN AL-HAL: Journal of the Development of Thought and Culture* 13, no. 1 (2019): 119–36. <https://doi.org/10.35316/Lisanalhal.V13i1.452>.
- Fahmi, Nurul. "Norms and Values in Islamic Economics." *TASAMUH: Journal of Islamic Studies* 11, No. 1 (2019): 105–23. <https://doi.org/10.47945/Tasamuh.V11i1.175>.
- Faizal, Moh. "A Study of Abu A'la Al-Maududi's Thoughts on Islamic Economics." *Journal of Islamic Banking* 2, No. 1 (2019): 83–98.
- Fatoni, Anwar, Mohammad Ghazali, Mulyono Jamal, and Hendri Setyo Wibowo. "The Reality of the Implementation of the Sharia Economic System in Muslim Minority Countries." *Ijtihad: Journal of Islamic Law and Economics* 15, no. 2 (2022): 283. <https://doi.org/10.21111/Ijtihad.V15i2.5535>.
- Gafur, Abdul, Ansharullah, And Fahrudin. "Riba according to the thought of al-Ghazali, ar-razi, ad-dahlawi, al-maududi." *Journal Of Islamic And Law Studies* 6, No. 2 (2022): 9–17.
- Hafandi, Akhmad, and Masdar Helmy. "Creating A Social Justice Trough Zakat And Its Relevance To Poverty Alleviation: A Perspective Of Abul A ' La Al-Maududi." *An-Ratio: Journal of Sharia Economics* 08, no. 1 (2021): 1–31.
- Hassan, F, and U Sabli. "Islam As A Way Of Life: The Representation Of Islamic Teachings In Non-Islamic Film." *Retried From: Http://Conference. Quiz. Edu ...*, 2018. https://conference.uis.edu.my/pasak3/images/eprosiding1/PASAK3_2124.Pdf.
- Hirawati, Heni, And Mugi Harsono. "Islamic Financial Technology in the Study of Philosophy of Science." *Journal of Equity* 4, no. 3 (2023): 850–60. <https://doi.org/10.47065/Ekuitas.V4i3.2711>.
- Isnaini, Atin Meriati. "The legal standard of the sharia system in non-bank financial institutions in the form of sharia insurance." *Journal of Unizarlawreview* 2, No. 2 (2019): 180–89.
- Kattiparambil, Shaheen. "Sherif, M. A. Facets Of Faith – Malek Bennabi And Abul A'la Maududi: The Early Life And Selected Writings Of Two Great Thinkers Of The Twentieth Century." *Islamic Book Trust*, 2020, 116–19.
- Maswanto, Akhmad Rudi. "Reactualization and Contextualization of the Understanding of Islamic Law in the Industrial Era 4.0." *CENDEKIA: Journal of Islamic Studies* 5, No. 2 (2020). <https://doi.org/10.37348/Cendekia.V5i2.79>.
- Maududi, Abul A'la. *Towards understanding the Qur'an*. 1st–6th Ed. Lahore: Idara Tarjuman Ul Qur'an, N.D.

- Moh. Azwar Hairul. "Anthropomorphism in the Book of Tafhim Al-Qur'an by Abu A'la Al-Maududi." *AL-Wajid Journal* 3, No. 2 (2022): 3–12.
- Nieuwenhuijze, C A O. "The Qur'an As A Factor In The Islamic Way Of Life." *Der Islam; Zeitschrift für Geschichte und ...*, 1963. <https://search.proquest.com/openview/26102a0d812c58da19f5a16a2b4d910a/1?pq-origsite=gscholar%5C&cbl=1816825>.
- Nucci, L, M R Rahnema, And A Heydari. "Analysis The Process And Priorities Of Urbanization In The Mashhad City After Islamic Revolution Of Iran." *International Journal*, 2016. <https://www.academia.edu/download/81249492/1056588.pdf>.
- Pertiwi, Dian, Jamal Mirdad, And Mami Nofrianti. "Exploring the Concept of the State According to Islamic Thinkers." *Al-Imarah: Journal of Islamic Government and Politics* 6, no. 2 (2021): 278–91.
- Peter Mahmud Marzuki. *Legal Research*. Jakarta: Kencana, 2015.
- Raysid, David. "Al-Mawdudi, Da'i and Contemporary Muslim Thinkers." *Al-Risalah: Journal of Religious Studies and Islamic Thought* 9, no. 1 (2020): 44–61.
- Razali, Ramadhan, Sutan Febriansyah, And Hilmi. "AL-MAUDUDI'S ECONOMIC THOUGHT IN THE PERSPECTIVE OF POST-MODERNISM." *Journal of Economics and Business* 22, no. 1 (2020).
- Ridawati, Miracle. "REDEFINITION OF INDONESIAN ISLAMIC ECONOMICS (Study of Islamic Economic Thought by Adiwarman Azwar Karim)." *Journal of Basic and Social Education Humanities* 1, no. 2 (2021).
- Rochmawati, Nur Anis. "The Socio-Political Dimension of Abu A'la Al-Maududi in Tafhim Al-Qur'an." *Al-Munir: Journal of the Science of the Qur'an and Tafsir* 4, no. 1 (2022).
- Rohmah, Siti, Moh. Anas Kholish, And Andi Muhammad Galib. "Human Rights And Islamic Law Discourse: The Epistemological Construction Of Abul A'la Al-Maududi, Abdullahi Ahmed An-Naim, And Mashood A. Baderin." *Justicia Islamica: Journal of Legal and Social Studies* 19, no. 1 (2022): 153–70. <https://doi.org/10.21154/Justicia.V19i1.3282>.
- Satriadi, Inong, and Khairana. "Abul A'la al-Maududi's Thoughts on Islamic Politics." *International Conference On Humanity, Law And Sharia (Ichlash)* 14, No. 15 (2019): 195–201.
- Sugiyono. *Qualitative Research*. Bandung: CV. Alfabeta, 2008.
- Sultana, Samar, and Syed Asim Ali. "A Review Of Political Philosophy Of Syed Abul A'ala Maududi." *Jibat-Ul-Islam* 15, No. 01 (2021): 157–75.
- Zulkifli, Tungga Bhimadi Karyasa, Lenawati Asry, Muh. Arif, Najamuddin Petta Solong, Munirah, Arditnya Prayogi, And Siyono. *Modern Islamic Thought*. Edited By Yahya Novita And Ariyanto. Padang: Pt. Global Executives of Technology, 2023.