

THE ROLE OF ETHICS IN PRESENTING ECONOMIC WELFARE

(Study of al-Mawardi's thoughts in the book *adâb al-Dunyâ wa al-Dîn*)

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ABSTRACT

*This article attempts to explain the views of al-Mawardi in his book entitled *adâb al-Dunyâ wa al-Dîn* on the role of ethics in realizing economic prosperity. Ethics is the basis for practical guidelines for running everything globally, including the economy in the Islamic worldview. This paper aims to find out how the ethical concepts offered by al-Mawardi are to bring economic prosperity and community welfare. The research was conducted in a descriptive study using literature studies. The results show that justice is the key offered by al-Mawardi to bring economic prosperity to society. Al-Mawardi also argues that the State has great potential for equality and prosperity in society.*

Keywords: Islamic ethics, Justice, al-Mawardi

1. INTRODUCTION

Ethics is an essential foundation for Islamic economics. Islamic teachings have moral and ethical values that can be used in all aspects of human life, including economic activity. Islam is a complete way of life, encompassing both spiritual and physical.¹ Islamic teachings are inseparable from the values implemented in a person's ethics in his life process. The importance of ethics is contained in the message of the Prophet, which means; "*Verily, I was sent to be an apostle for nothing but perfecting good morals.*" (Narrated by Al-Bayhaqi)²

Islamic economics stands on faith and belief. Even a Muslim carrying out his economic activities adheres to his religion's recommended religion as a guideline and guidance.³ These instructions derived from the Qur'an and Sunnah provide knowledge to the human intellect to know about good and bad things in a person's life and relationships.

The ethics taught by Islam are not limited by ethnicity, country, culture⁴ but are relevant to all human beings anywhere globally so that these values can be applied by those who do not belong to Islam. Besides, Islam can solve many economic problems, such as socioeconomic inequality, unfair competition in business, a minimal opportunity for welfare, etc.

Al-Quran (the holy book of Islam) and Sunnah (teachings and behavior of the Prophet of Islam: Muhammad SAW) are the

¹ Faïçal Boutayeba, Mohammed Benhamida, and Souad Guesmi, "Ethics in Islamic Economics," *Islamic Economics* 17, no. 4 (2014): 112.

² Abu Bakar Al-Baihaqi, "As-Sunan Al-Kubra" (Beirut: Dar al-Kutub al-'Ilmiyah, 2003), 323.

³ Boutayeba, Benhamida, and Guesmi, "Ethics in Islamic Economics," 112.

⁴ R. Ibrahim Adebayo and M. Kabir Hassan, "Ethical Principles of Islamic Financial Institutions," *Journal of Economic Cooperation and Development* (2013): 7.

primary sources that derive the moral values in Islamic economics. Both represent the main pillars of Sharia (Islamic law and guidelines), which Muslims see as the right way to get happiness, not only in economic life but in all aspects of life⁵.

Imam Al-Mawardi is one of the early Muslim jurists who wrote about ethics in his book *adâb al-Dunyâ wa al-Dîn*. Many of his works have become a reference for economic thinkers in formulating ethics in Islamic economics. According to al-Mawardi, humans must balance moral values in their religion and economic activities to realize social welfare. The article discusses the ethical values in human economic activities and how al-Mawardi thinks about ethical values in general human activities. Furthermore, how the ethical or moral values demand humans on social welfare.

2. METHODOLOGY

To achieve finding of the study will use a qualitative research method which is designed to explore the human elements of a given topic, where specific methods are used to examine how individuals see and experience the world.⁶ The study will analyze the thought of Imam mawardi on ethics in welfare economic analyzed by documentary studies and content analysis.

The data will be analyzed mainly is *kitab adâb al-Dunyâ wa al-Dîn*, written by Imam Mawardi and then supported by other documents such as books, journals articles, and monograf. All data collected will be coded into categories related to the topics of the study which is ethics in economic

⁵ Boutayeba, Benhamida, and Guesmi, "Ethics in Islamic Economics," 111.

⁶ Lisa M. Given, *The Sage Encyclopedia of Qualitative Research Method 1 & 2* (Singapore: Sage Publication, 2008), xxix.

welfare and then will be analyzed to get a finding of the research.

3. LITERATURE REVIEW

3.1. Definition of Islam

Islam is a monotheistic religion articulated by the Koran, a book considered by Muslims to be the verbatim word of Allah and by the teachings and normative examples of the Prophet Muhammad (called the Sunnah and consisting of Hadith). Muslims believe that Allah knows everything and gives people of every kind according to their abilities. Muslims also believe that Islam is a complete and universal version of the faith brought by the prophets before Muhammad SAW, including Abraham, Musa Isa, and others. Religious concepts and practices cover the five pillars of Islam: the basic concepts and actions of compulsory worship, and follow Islamic law, which touches almost every aspect of life and society, guiding various topics from banking and welfare to warfare and the environment.⁷

Islam is the second-largest religion in the world. According to official statistics and the World Network of Religious Futurists and Samuel Huntington, Islam is growing numerically faster than any other religion; This growth is associated with higher birth rates and higher conversion rates. More people are converting to Islam in the US than any other faith, especially among African Americans.⁸

⁷ Ibid., 113.

⁸ Ibid.

3.2. Definition of Ethics

Etymologically, the word "ethics" comes from Greek, consisting of *ethos* and *ethikos*. *Ethos* means nature: habitual character or ordinary place. *Ethikos* means morality, civility, behavior, and good deeds⁹, while in Arabic, the word ethics is known as morality, which means character. As in Indonesian, it is called moral order.¹⁰

In terms of ethics, it can be called the science of good and evil or, in other words, the theory of values. In Kamus Besar Bahasa Indonesia (KBBI), ethics is explained by distinguishing three meanings 1) knowledge of what is good and what is bad and about moral rights and obligations (morals); 2) a collection of principles or values relating to morals; 3) the value of right and wrong adopted by a group or society¹¹. In Islam, the value theory recognizes five good and bad categories: good, good, neutral, bad, and very bad. God determines values because God is most holy and free from any stain.

Ethics is often identified with morality (or morality). However, although both are related to the pros and cons of human action, ethics and morals have different meanings. Morality is more inclined to understand every human act's good and bad values, while ethics means the study of good and bad. So it can be said, ethics functions as a theory of good and bad deeds. In philosophy, sometimes ethics is equated with moral philosophy.¹²

⁹ Lorens Bagus, *Kamus Filsafat*, Ke Empat. (Jakarta: PT Gramedia, 2005), 217.

¹⁰ Hasbullah Bakri, *Sistematika Filsafat* (Bandung: PT Mizan Publika, 2005), 9.

¹¹ *Kamus Besar Bahasa Indonesia* (Jakarta: Departemen Pendidikan dan Kebudayaan, 1991).

¹² Haidar Bagir, *Buku Saku Filsafat Islam* (Bandung: PT Mizan Publika, 2005), 189–190.

Ethics is related to good life habits, reasonable living procedures, both for a person and society. These good living habits are adopted and passed on from one generation to another. These good living habits are then frozen in the form of rules, rules, or norms that are spread, known, understood, and taught orally in society. These rules, norms, or rules concern the pros and cons of human behavior. Ethics is understood as teaching that contains commands and prohibitions regarding human behavior, namely commands that must be obeyed and prohibitions that must be avoided.¹³

3.3. Islamic Ethics

Humans are determined by their level of good and bad morals in this perspective. With good qualities that are great and praiseworthy in his attitude, man will be rewarded with good rewards the next day, and there will be no worries for him. Meanwhile, humans who are more dominant in their bad qualities, greed, and love for the material or the world will get a reply that gives discomfort and feelings of fear the next day.¹⁴

The extraordinary thing about Islam is an ethical system that combines spiritual idealism. Besides that, it also has a deep concern about world life, which is the will of God. Ethics is based on a clear recognition that the essential characteristics of humans are best neutralized in their personal. This cannot be eliminated in human social interactions to protect and suppress humans from their weakness, which is to love the world for their interests.¹⁵

¹³ K.Bertens, *Etika* (Jakarta: Gramedia Pustaka Utama, 1993), 4–7.

¹⁴ Syed Nawab Haider Naqvi, "Rodney Wilson. Economics, Ethics and Religion: Jewish, Christian and Muslim Economic Thought. Review.," *Islamic Economics* 12 (2000): 108.

¹⁵ *Ibid.*, 109.

3.4. Islamic Economics

According to Hasanuz Zaman, 'Islamic Economics (Sharia) is the knowledge and application of Sharia (Islamic Principles) commandments and rules that prevent injustice in the acquisition and disposal of material resources to provide satisfaction to humans and enable them to carry out their obligations to Allah and society. Islamic economics can also be defined as a branch of knowledge that helps realize human welfare by allocating and distributing scarce resources following Islamic teachings without individual freedom or creating sustainable macroeconomic and ecological imbalances.¹⁶

Based on these definitions, we can define Islamic Economics as a way and philosophy of economic life: The economy governed by Islamic Rules and principles that tend to achieve prosperity for individuals and society.

[The Prophet] who will enjoin upon them the doing of what is right and forbid them the doing of what is wrong, and make lawful to them the good things of life and forbid them the bad things, and lift from them their burdens and the shackles that were upon them. (Q7:157)

Islamic economics is based on faith and belief because the rules and principles represent the Islamic religion's teachings. That is also because Muslims obey and obey divine commands, including dealing with economic issues or economic activities. Islamic economics is primarily based on ethics and morals. According to Islam, Economics cannot be separated from ethics. It is an essential component of the philosophy of life. Because in fact,

¹⁶ Boutayeba, Benhamida, and Guesmi, "Ethics in Islamic Economics," 113.

Islam is a morality that is reflected in ethics. Prophet Muhammad SAW said: 'I have been sent only to resolve moral values.' From the Hadith, it can be concluded that ethics has a high place for Islam.

3.5. Ethics in Islamic Economics

3.5.1. The importance of moral values in Islamic Economics

Karl Max, Auguste Comte, Sigmund Freud, and other influential thinkers considered religion the embodiment of ignorance or weakness. However, some people are intelligent, educated — perhaps, as recent research by evolutionary psychologists suggests that economics is based on moral values because evolution equips us with a sense of morality (Leda Cosmides and John Tooby, 1992).

One of the functions of religion has nourished this moral understanding by defining what is good and wrong. This emphasizes that, regardless of modernity and current economic progress, Islamic economic morality may remain a source of unlimited influence in creating justice and equality. The value of morality will limit wealth accumulation in some individuals or collectives.¹⁷

3.5.2. The values that underlie Islamic Economic Ethics.

Certain values create specific effects on actual behavior, including individual economic behavior, and then lead to the obedience of values that have economic effects, including;

1. Justice and Balance

Allah says in the Holy Quran: "Allah commands justice and charity" (Al-Quran, 16; 90). Humans must uphold the value of justice and balance in life. That is to suppress the wild desires

¹⁷ Timur Kuran, "The Discontents of Islamic Economic Morality," *American Economic Review* (1996): 441.

or instincts and desires in humans. Harmony cannot be achieved without this justice and balance.¹⁸

Today's concentration of welfare is very evident in society, disturbing the balance in the economy and socio-political education and so on in human life. Humans need to base their economic behavior on justice, prevent oppression, and pay attention to charity, leading to universal balance and prosperity.¹⁹

2. Brotherhood and Compassion

Brotherhood and compassion are among the values that help Islam govern the social life of its people and humanity as a whole. So, Islamic economics offers several alternative instruments to help achieve these values. For example, a Muslim gives Zakat and alms regularly to people in need and orphans. He should avoid *Riba* (interest), *israf* (use of extensive resources through waste), and *Iktinez* (accumulation of wealth)²⁰

However, it should be noted that a sense of brotherhood may be very easily damaged by actions such as unfair transactions, lies, and other nasty things.²¹

3. Freedom

Human beings have been endowed with the value of freedom. They are free to determine their lives as they wish, but

¹⁸ Haider Naqvi, "Rodney Wilson. Economics, Ethics and Religion: Jewish, Christian and Muslim Economic Thought. Review.," 110.

¹⁹ Ahmad Assadzede and Narges Javidi, "Ethical Principles in Business , Application of Game," no. 3 (2018): 16.

²⁰ Boutayeba, Benhamida, and Guesmi, "Ethics in Islamic Economics," 112.

²¹ Adebayo and Hassan, "Ethical Principles of Islamic Financial Institutions," 27.

the freedom they have is not absolute because only God is truly free. This freedom can make man high or low before God.²²

Being blessed with reason and given freedom makes humans very different from other creations of God. So if humans do not get their freedom due to other people's actions, it will reduce or take away the privileges of humans as the best of creation. So religion provides a comprehensive way for humans to live their lives according to their wishes. As long as they are in the goodness taught by religion, including economics, freedom to carry out economic activities and gain prosperity should not be taken away by others.²³

4. Responsibility

Humans are given freedom in living in the world, but this freedom must be balanced with responsibility. After doing something with their freedom, humans will logically suffer the consequences of their choices based on that freedom.

The effect of the doctrine of responsibility is to limit the human nature of freedom, especially by placing ethical constraints on social behavior. Pure logic must convince us that unlimited freedom implies complete responsibility. Because every human action will be reckoned in the afterlife, human actions based on good and evil are brought by Islam²⁴.

5. The good and Evil

Islam wants man to manage nature to eat and drink, have accommodation and comfort, make the world a garden, friendship, and all the good things in life. To develop knowledge and learn, associate and build infrastructure - in

²² Haider Naqvi, "Rodney Wilson. Economics, Ethics and Religion: Jewish, Christian and Muslim Economic Thought. Review.," 111.

²³ Ibid.

²⁴ Haider Naqvi, 111.

short, to do all these things, but do it right, without lying and deceiving, without stealing and exploiting, without injustice to oneself, to neighbors, to nature. In history, Islam calls a man a caliph precisely because to do all these things well and leave evil; the point is to carry out the orders of Allah Most SWT.²⁵

4. ECONOMIC ETHICS IN ISLAM

4.1. Al-Qur'an and Sunnah's View

Ethics some of the economic ethics in Islam taught by Rasulallah are as follows;

1. The first is honesty. Honesty is a fundamental requirement in business activities. Rasulullah was very intense in advocating honesty in business activities. On this level, he said, "It is not right for a Muslim to sell a sale that has a disgrace unless he explains his disgrace" (Narrated by Al-Quzwani). "Who is deceiving us, then he is not our group" (Muslim). Rasulullah himself was always honest in doing business. He forbade traders to put rotten goods on the bottom and new goods on the top.
2. They are helping or benefiting others, awareness of the social significance of business activities. According to Islam, business actors pursue as much profit as possible, as taught by the Father of Capitalist Economics, Adam Smith, and are oriented towards ta'awun (helping others) as the social implications of business activities. Strictly speaking, doing business is looking for material profit and making it easy for others by selling goods.
3. Moslem must not cheat, measure, measure, and weigh the right. In commerce, the accurate and correct scales must take precedence. The Word of Allah: "Woe to those who cheat, namely those who, when they receive a dose from someone

²⁵ Adebayo and Hassan, "Ethical Principles of Islamic Financial Institutions," 71.

- else, they ask to be fulfilled, and when they measure or weigh for someone else, they reduce" (Surah 83: 112).
4. Humans must not discredit other people's businesses so that people will buy from them. Prophet Muhammad SAW said, "Do not sell someone among you to discredit what is being sold by other people" (HR Muttafaq' alaih).
 5. It is not hoarding goods. Ihtikar is hoarding goods (piling and storing goods for a certain period, aiming to increase the price one day and a significant profit). Rasulullah strictly prohibits such business behavior.
 6. They are not doing monopoly. One of the vices of the capitalist economic system is that it legitimizes monopoly and oligopoly. A simple example is the exploitation (control) of specific individuals over social property rights, such as water, air, land, and their contents, such as mining and mineral goods. The individual makes a profit personally, without giving opportunities to others. That is forbidden in Islam.
 7. The business commodities that are sold are holy and lawful, not things that are haram, such as pork, dogs, liquor, ecstasy, and so on. Prophet Muhammad SAW. said, "Allah forbid the business of alcohol, carcasses, pigs and sculptures" (HR Jabir).
 8. The business that is carried out is clean from the element of usury. The Word of Allah, "O you who believe, leave the remnants of usury if you believe" (Surah al-Baqarah: 278). Allah judges' doers and eaters of usury as people who are evil (QS. 2: 275). Therefore, Allah and His Messenger declared war on usury.
 9. Business is conducted voluntarily, without coercion. The Word of Allah, "O you who believe, do not falsely eat each other's wealth, except by way of business that applies equally to your liking" (QS. 4:29).
 10. Paying wages before employees sweat dry. Our Master Muhammad [s] said, "Give wages to employees before their

sweat dries." This Hadith indicates that the payment of wages should not be delayed. Payment of wages must be following the work done.

4.2. Al-Mawardi's View

According to Mawardi, the same justice becomes a means of fostering friendship, motivating obedience, bringing prosperity to the country, increasing economic production, large population growth, and maintaining the integrity of the Government.²⁶ Thus, justice can maintain social order, social welfare, and human relations.

In his view, fairness is something that every individual needs to create welfare and prevent wrong actions. Fair is a principle that is centered amid extreme and detrimental attitudes. In other words, without a firm, fair attitude towards subjectivity and human desires, it cannot be avoided from being damaged in a broad sense and included in creating welfare.²⁷

According to one's status and position in social life, justice to others requires a different attitude. Al-Mawardi distinguishes the forms of justice into three types. First, justice for the people under him. Second, the justice of the people above it. Third, justice to those who are equal.

Al-Mawardi's focus is only on presenting justice in creating good social order. However, the justice that all people can feel will give prosperity and happiness in the world. Therefore, justice becomes a power factor that can save people from the inclination of lust, either in anger or desire. Apart from fearing Allah, Muslims must also have a generous nature and an attitude of sufficiency.

²⁶ Abu Hasan Ali Al-Mawardi, *Adab Al-Dunya Wa-Al-Din* (Beirut: Dar alFikr, 1996), 99.

²⁷ Ibid., 100.

Thus, comprehensive justice can guarantee the economic prosperity of society.²⁸

Economic prosperity is an essential factor in creating prosperity. This prosperity will arouse the human spirit to improve the work ethic, form various social associations between reducing the level of social tension that prevents conflict and hostility, creating progress in all fields, and establishing social harmony and cooperation. All forms of prosperity will encourage the realization of prosperity in the community because prosperity and material wealth can foster an attitude of trust and generosity.²⁹

Humans very much need happiness and well-being in the world and the hereafter. This is intended to support an increase in spirituality both in worshipping horizontally and vertically. So that every Muslim is obliged to be generous, especially those who have the advantage of giving birth to an attitude of generosity, the world's wealth is used to achieve the world's pleasures. However, it can be used to get good deeds as provisions for the next time.³⁰

Al-Mawardi describes the relationship between economic prosperity and religious aspects. Production resources are part of the means of divinity, such as kinship, marriage, brotherhood, friendship, kindness, virtue, and social associations based on the principles of goodness. This prosperity is manifested from the results of moderate behavior that grows together with the cause of divinity. That encourages people to maintain morals (morals) in communicating and dealing with market players in economic cooperation.³¹

²⁸ Aan Jaelani, "Religion, Economy, and State: Economic Thought of Al-Mawardi in Adab Al-Dunya Wa-Al-Din," *SSRN Electronic Journal* (2016).

²⁹ Al-Mawardi, *Adab Al-Dunya Wa-Al-Din*, 103.

³⁰ Ibid.

³¹ Ibid., 105.

5. CONCLUSION

Ethics in Islamic economics is built from universal values brought and taught by Islam through Rasulallah Muhammad SAW. Values such as monotheism, justice, balance, compassion, brotherhood, freedom, responsibility, good and bad values become values that are then absorbed into the economy used for human economic behavior.

Ethics in the economy is a solution to the global economic crisis. The economy is built by capitalism and socialism, and the State's welfare fails to guarantee universal economic welfare and spiritual activity simultaneously in the economy.

Islam, with the values, brought to cover the shortcomings that arise due to the economic system produced by capitalists and socialists. Islamic or Islamic economic activities are based on ethics taught in Islam to reduce cheating and oppression in the market. Here is essential to base economic behavior on religious ethics.³²

For Muslims doing economic activities in the way of sharia are a must and satisfaction. Muslim belief in Allah and His Messenger and belief in the Last Day require them to live life in a right and good way, including their business activities. When these good values run in an economic world, universal prosperity is a significant opportunity to be created.

Al-Mawardi emphasized that the essential characteristic for humans in carrying out economic activities is a sense of justice. A leader is a person who must have the principle of justice in himself. In the view of Imam Mawardi, the State or the Government has a significant share in the process of bringing prosperity to life, and the Government can suppress fraud that occurs in the market. Also, the Government, with its authority, can suppress all forms of

³² Margarete M. Roth and Rodney Wilson, "Economics, Ethics and Religion: Jewish, Christian and Muslim Economic Thought," *Review of Religious Research* (1998): 70.

badness in the market. It can carry out the values outlined by sharia to bring prosperity to the people.

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