

Introduction to Islamic Economics and Islamic Finance













An Epistemological perspective

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Table 1:

POTENTIAL¹ AND ACTUAL SIZE OF THE GLOBAL ISLAMIC FINANCIAL SERVICES INDUSTRY

	2009	2010	2011	2012	2013	2014	2015	2016
POTENTIAL SIZE OF THE GLOBAL ISLAMIC FINANCIAL SERVICES INDUSTRY (US\$ TRILLION)	4	4.4	4.84	5.324	5.865	6.451	7.096	7.806
ACTUAL SIZE OF THE GLOBAL ISLAMIC FINANCIAL SERVICES INDUSTRY (US\$ TRILLION)	1.036	1.139	1.357	1.631	1.813	1.981	2.143	2.293
SIZE GAP (US\$ TRILLION)	2.964	3.261	3.483	3.693	4.052	4.47	4.953	5.513
GROWTH IN THE ACTUAL SIZE OF THE GLOBAL ISLAMIC FINANCIAL SERVICES INDUSTRY	26	9.9	19.1	20.2	12.3	9.3	7.3	7
AVERAGE GROWTH RATE BETWEEN 2009-2016 (%)								13.89
CATCH-UP PERIOD - BASED ON 10% GROWTH / POTENTIAL SIZE AND 13.89% GROWTH IN ACTUAL SIZE (YEARS)								35.2

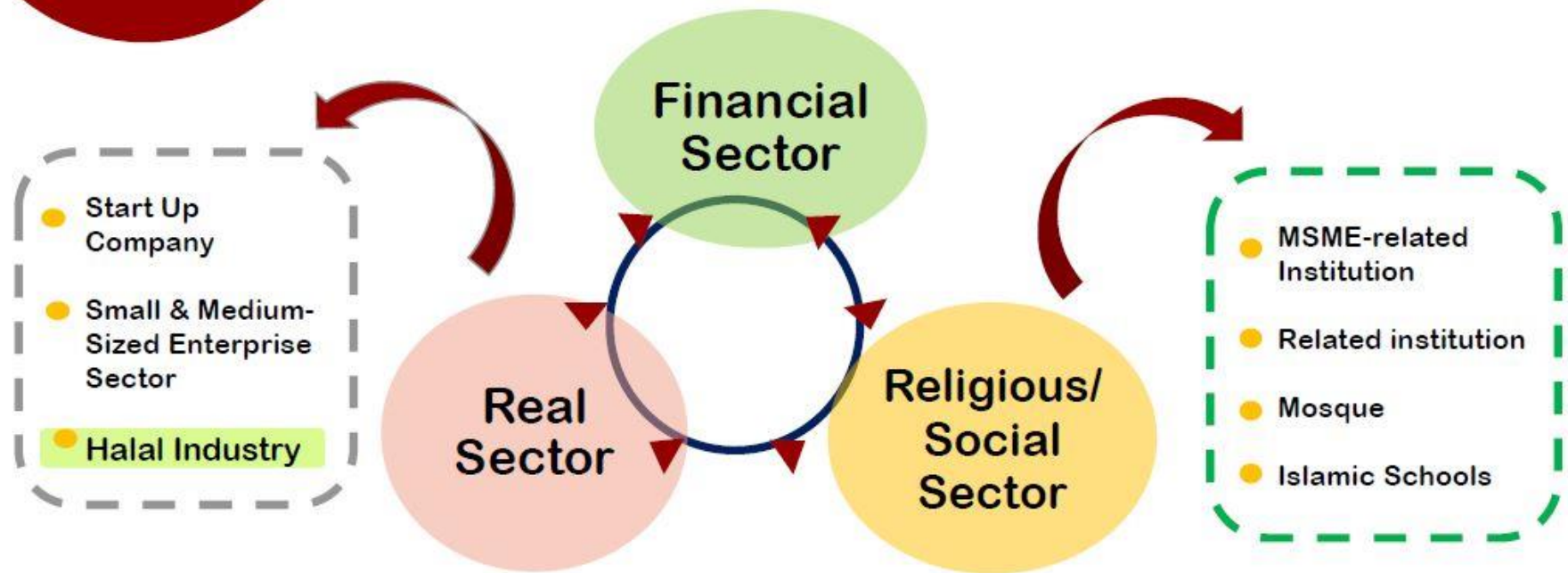
COUNTRIES	2017 IFCI	2016 IFCI	2017 IFCI	2016 IFCI	CHANGE
	RANK	RANK	SCORE	SCORE	
 MALAYSIA	1	1	79.25	77.77	-
 IRAN	2	2	78.42	77.39	-
 SAUDI ARABIA	3	3	65.90	66.98	-
 UNITED ARAB EMIRATES	4	4	38.02	36.68	-
 KUWAIT	5	5	35.20	35.51	-
 PAKISTAN	6	9	24.30	18.89	+3
 INDONESIA	7	6	23.98	24.21	-1
 BAHRAIN	8	8	21.96	21.90	-
 QATAR	9	7	21.94	22.02	-2
 BANGLADESH	10	10	16.73	16.14	-
 SUDAN	11	11	15.70	14.04	-
 TURKEY	12	13	12.17	8.95	+1

Constituent Variables/Factors of IFCI

VARIABLES/FACTORS	DESCRIPTION	WEIGHTS
1 NUMBER OF ISLAMIC BANKS	Full-fledged Islamic banks both of local and foreign origin	21.8%
2 NUMBER OF IBFIs	All banking and non-banking institutions involved in IBF, including Islamic windows of conventional banks	20.3%
3 SHARI'A SUPERVISORY REGIME	Presence of a state (or non-state) representative central body to look after the Shari'a compliancy process across the IBFIs in a country	19.7%
4 ISLAMIC FINANCIAL ASSETS	Islamic financial assets under management of Islamic and conventional institutions	13.9%
5 MUSLIM POPULATION	Absolute number of Muslims	7.2%
6 SUKUK	Total sukuk outstanding in the country	6.6%
7 EDUCATION & CULTURE	Presence of an educational and cultural environment conducive to operations of IBFIs, including formal Islamic finance professional qualifications, degree courses, diplomas and other dedicated training programmes	5.7%
8 ISLAMIC REGULATION & LAW	Presence of regulatory and legal environment enabling IBFIs to operate in the country on a level-playing field (e.g., and Islamic banking act, Islamic capital markets act, takaful act etc.)	4.9%

Policy Response

Three Sectors Integration



For future development of financial services sector, it will be beneficial to integrate the sector into the real, religious and social sectors so that the three sectors can grow together.

Deden. 2017

Religious Sector

**Rp2.000
trillion**

**Waqf Potential
2016**

Source: National Zakat Institution

**Rp280
trillion**

**Zakat, Infaq, and
Shodaqoh Potential
2015**

Source: National Zakat Institution

Number of Mosques across Indonesia

2013

731.096

Predicted number in 2017

800.000



Source: Survey of Indonesia Mosque Board

Social Sector

563

Number of Overall Islamic Study Programs

Source: Ministry of Research, Technology and Higher Education

147

Number of Islamic Economy/Finance/Banking Study Programs

Source: Ministry of Education and Culture

25
thousands

Number of Islamic Boarding Schools

Source: Nahdlatul Ulama

ASET BMI, BSM & MEGA SYARIAH: 2007 – 2009 (dlm Juta rupiah, OJK 2015)

Bank Umum Syariah	2007	2008	2009
BMI	10.560.078	12.610.853	16.064.093
BM	12.8885.930	17.065.938	22.036.535
Mega Syariah	2.561.084	3.096.201	4. 381.991



PEMBIAYAAN PRO RAKYAT?

(BI, 2015, dlm Milyar)

Usaha	2011	2014	2015
UKM	479.886.5	707.461.8	753.216.8
USAHA BESAR	1.779.975.9	3.072.652.4	3.3316.838.1
Persentasi kredit ke UMKM	21.2%	18.7%	18.5%

PEMBIAYAAN PERTANIAN (BI, 2015), dlm Milyar Rp

PEMBIAYAAN	2011	2014	2015
PERTANIAN	30.281.7	59.193.3	63.313.8
Persentase dari Total Pembiayaan	6.3%	8.5%	8.4%

KOMPOSISI AKAD PRO PLS (Dlm Triliun)

AKAD	2006	2009	2012	2013
MUDHARABAH	4.062	6.597	12.023	13.299
MUSYARAKAH	2.335	10.412	27.667	35.883
MURABAHAH	12.624	25.321	88.004	105.061

REFLEKSI ATAS DATA

- **Mindset Ekonomi Islam saat ini:**
 - *Growth on Assets*
 - *Income Maximisation*
 - *Market Orientation*
- Apakah Mindset seperti ini mirip dengan pola ekonomi kapitalistik?
- Perbankan Syariah belum dapat –dengan kepercayaan yang makin meningkat di kalangan masyarakat– mengarahkan kepentingannya menjadi pintu penyelamatan ekonomi masyarakat, ekonomi Islam.

MENGAPA HAL ITU TERJADI?

- Masalahnya bukan hanya pada data-data teknis perkembangan ekonomi Islam seperti dijelaskan di atas.
- Lebih dari itu, terdapat masalah mendasar lain, yaitu:

MASALAH PARADIGMATIK EKONOMI ISLAM

MASALAH PARADIGMATIK PRAKTIK EKONOMI ISLAM

PRAKTIK EKONOMI ISLAM KINI

- Matematis - Kuantitatif
- Outward Looking
- Mirip pendekatan Ekonomi Konvensional melalui perhitungan indeks (jumlah bank syariah, aset, laba, dll)
- Berdasarkan angka-angka itu dilakukan laju ekspansi dan akselerasi pertumbuhan
- Tidak membumi, misalnya Indonesia mayoritas PETANI dan UKM

MENGAPA BEGITU?

- Dipengaruhi pola berpikir paradigmatis Positivisme
 - Matematis - Statistik - Kuantitatif
 - Berorientasi Pertumbuhan Linier dan Evolutif
 - *To Explain and to Predict*
 - *Value Free - Bebas Nilai*
- Dapat dilihat dari Laporan BI, Laporan International, *Blue Print BI*

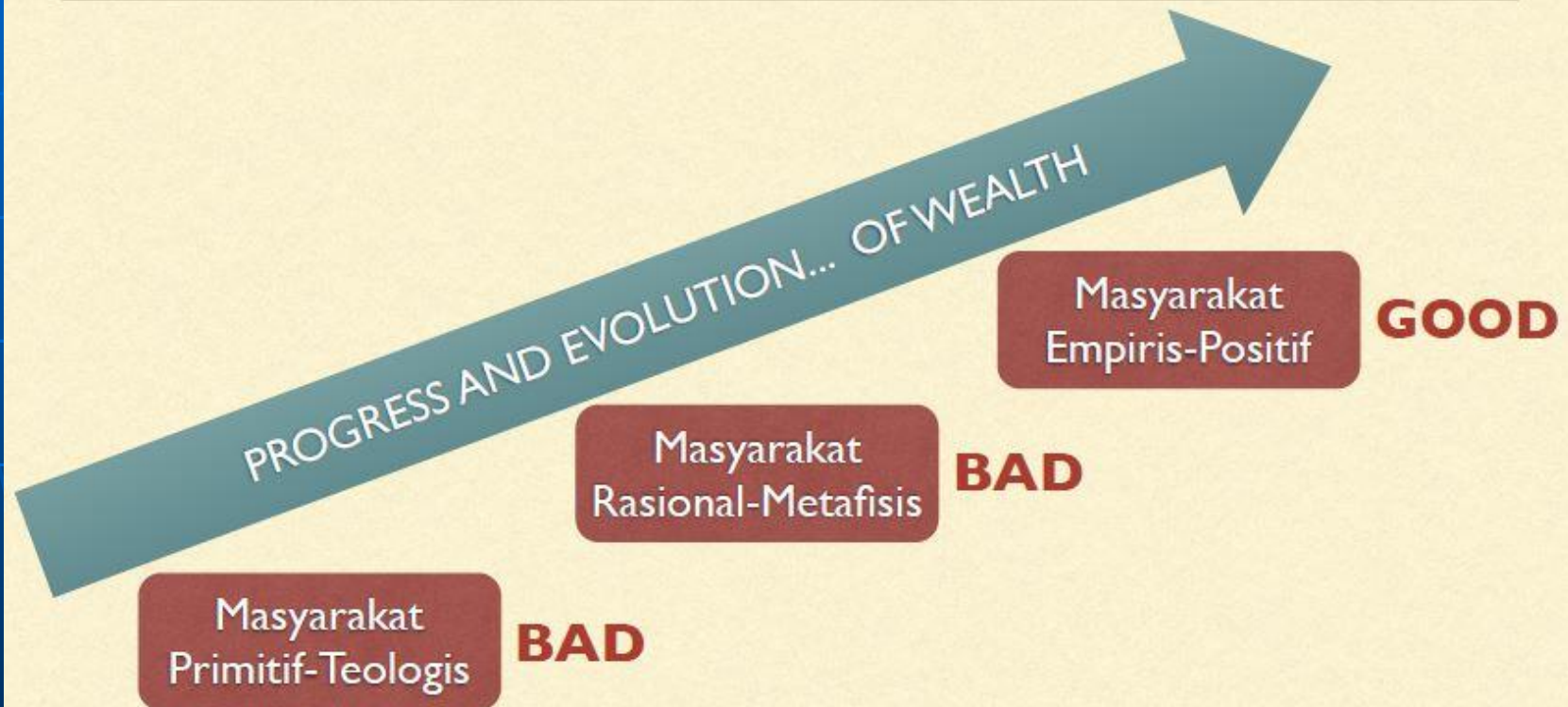
POSITIVISME & EKONOMI ISLAM

- Ekonomi dan Bisnis Islam menggunakan pola Positivisme sebagaimana dijelaskan Muhammad Arif (1987):
 - Islamization of Knowledge ala Faruqi dianggap terlalu luas, sehingga yang diperlukan adalah penggunaan positivistic model untuk memotret realitas ekonomi Islam, dengan nama Metode Stratifikasi dan Idealisasi teknis yang mengacu logika ilmu alam (terutama prosedur stratifikasi Enstein).

POSITIVISTIC APPROACH



ORIENTASI UTAMA POSITIVISME



ADOPSI MASIF POSITIVISME

- Islam kontemporer juga mengadopsi positivisme yang menjadi bangunan **Ekonomi dan Bisnis modern**
- Argumentasi klasiknya, Islam memberi pengaruh historis perkembangan **Ekonomi dan Bisnis konvensional**.
- Maka, benarlah, dengan menggunakan asumsi bebas nilainya **Positivism**, teori-teori kontemporer juga merupakan salah satu bagian peran Islam di masa lalu

Salient Features of Positivism

1. It believes in the *unity of method*. *Economics is not different from the natural sciences as far as the method of enquiry is concerned.*
2. It celebrates objectivity and value neutrality. It, therefore, separates the knower from the known, subjectivity from objectivity, and fact from value.
3. Economics is not commonsense. It rests on explanatory principles, which give a universal character to the discipline.

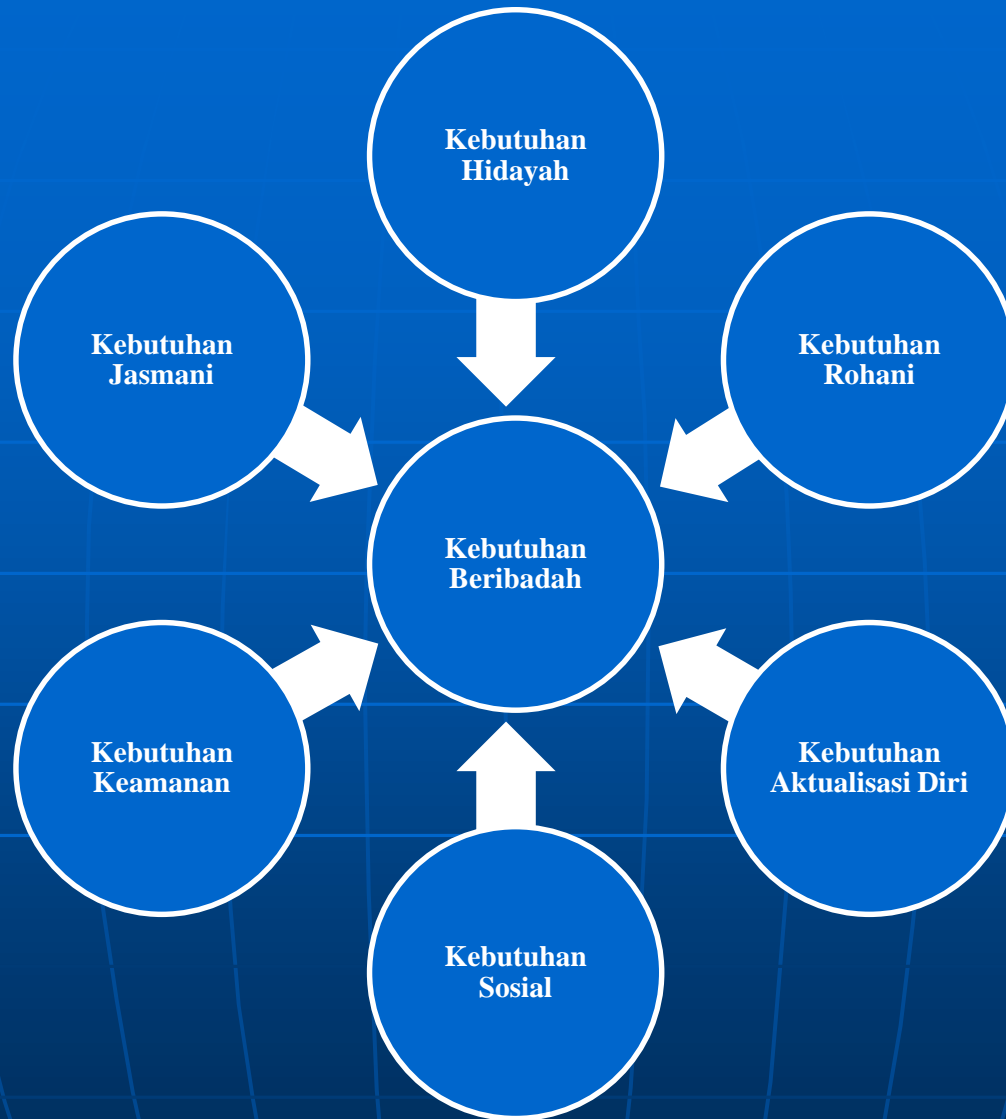
4. Economics is a formal and organized body of knowledge, characterized by specialized skills and techno-scientific vocabulary.
5. Economics can strive for abstraction and generalization. Human experiences can be explained through law-like generalizations.
6. It believe in the methodological naturalism. Is denies prior reasoning, theological and metaphysical knowledge.
7. The scientific knowledge of society can be used for social engineering.

ontology, epistemology, axiology and typical research methods associated with positivism research philosophy:

Ontology	Epistemology	Axiology	Typical methods
Real, external, independent	Scientific method Observable and measurable facts	Value-free research	Typically deductive, highly structured, large samples, measurement, typically quantitative method of analysis, but a range of data can be analyzed
One true reality (universalism)	Law-like generalizations Numbers	Researcher is detached, neutral and independent of what is researched	
Granular (things)	Causal explanation and prediction as contribution	Researcher maintains objective stance	
Ordered			

Comparison between Positivism and Social Constructivism

	Positivism	Social Constructionism
<i>The observer</i>	Must be independent	Is part of what is being observed
<i>Human interests</i>	Should be irrelevant	Are the main drivers of science
<i>Explanations</i>	Must demonstrate causality	Aim to increase general understanding of the situation
<i>Research progresses through</i>	Hypotheses and deductions	Gather rich data from which ideas are induced
<i>Concepts</i>	Need to be operationalised so that they can be measured	Should incorporate stakeholder perspectives
<i>Units of analysis</i>	Should be reduced to simplest terms	May include the complexity of 'whole' situations
<i>Generalisation through</i>	Statistical probability	Theoretical abstraction
<i>Sampling requires</i>	Large numbers selected randomly	Small numbers of cases chosen for specific reasons



Tujuh Macam Kebutuhan Manusia Muslim

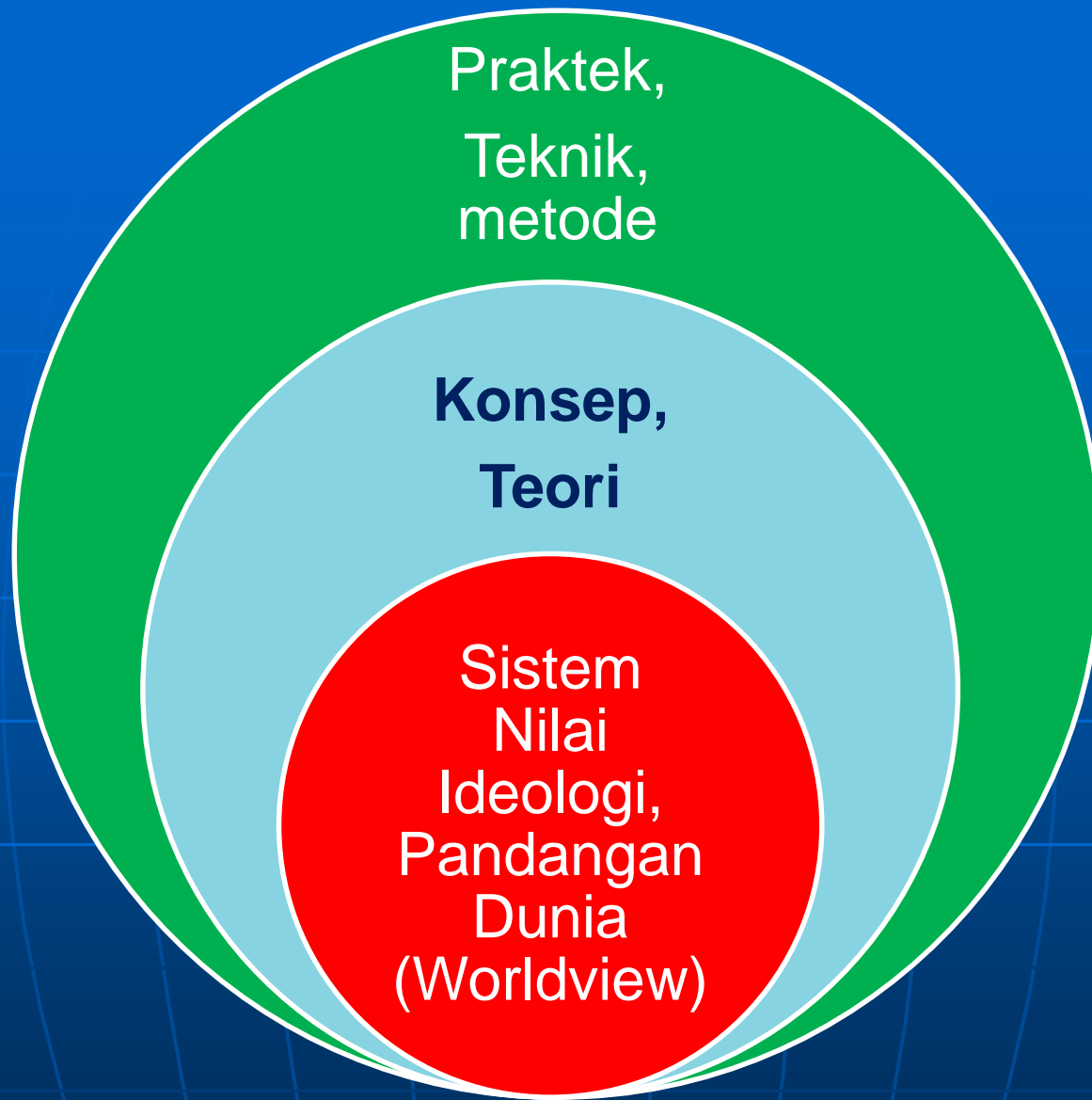
Macam-macam Kebutuhan Manusia

Kebutuhan jasmani: Makan, minum, sandang, papan, kesehatan jasmani, dll

Kebutuhan rohani: kesehatan ruhani (terhindar dari stres, depresi, dll), pendidikan (ilmu), hiburan, musik, dll

Kebutuhan sosial: bertetangga, berkeluarga, berorganisasi, berjamaah, dll

Kebutuhan aktualisasi diri: mengembangkan dan menggunakan potensi dlm rangka mengabdikan kepada Allah, beramal shaleh, amar ma'ruf nahi munkar.



Gambar 1.1. Model Keterkaitan Worldview, Sistem Nilai, Konsep dan Teori & Praktek



TERIMA KASIH