

Islamic Economic Development Strategy in Realize Welfare Sustainable

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Abstract: Economic development is an important effort to improve social welfare. However, modern economic development still faces various problems such as poverty, unemployment, social inequality, moral crisis, and environmental damage. These conditions indicate that an economic development system that is too oriented towards material growth has not been able to create comprehensive social welfare. This study aims to analyze the strategy of Islamic economic development in realizing sustainable prosperity. This study uses a descriptive qualitative method with a library study approach through a review of various literature related to Islamic economics, economic development, and sustainable development. The results show that Islamic economic development is built on the principles of monotheism, justice, balance, and welfare. The strategy of Islamic economic development is carried out through strengthening moral and spiritual values, optimizing wealth distribution, strengthening the real sector, developing human resources, and maintaining a balance between material and spiritual needs. The novelty of this research lies in the development of the concept of Islamic economic development based on human development and spiritual awareness as a solution to the crisis of modern economic development that tends to be materialistic. Thus, Islamic economics is not only understood as an alternative economic system, but also as a development system oriented towards sustainable social, moral, and spiritual balance.

Keywords: Economic Strategy; Islamic Economic Development; Sharia Economics; Sustainable Development; Welfare.

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1. Introduction

In general, economic development is defined as a series of efforts within an economy to expand economic activity, resulting in greater infrastructure availability, increased numbers of companies, higher levels of education, and improved technology. As a result of this development, it is hoped that job opportunities will increase, income levels will rise, and community prosperity will increase. (Sukirno, 2011)

Economic development is a crucial indicator of a country's progress. Various economic policies have been implemented by the government to boost economic growth, expand employment opportunities, and improve public welfare. However, the reality is that modern economic development has not fully resolved the various social problems that exist in society. (Sukirno, 1996)

Poverty, unemployment, income inequality, and environmental degradation remain persistent problems. These conditions demonstrate that the economic development currently implemented is more oriented toward material growth and economic gain than toward comprehensive human development. (Todaro, 1995)

From an Islamic perspective, economic development aims not only to increase people's incomes but also to create a balance between human material and spiritual needs. Islam believes that prosperity cannot be achieved solely through economic aspects but must be built through moral, social, and spiritual balance. (Purwana, 2013)

Islamic economics exists as an economic system that offers a more humane and equitable development concept. Islamic economic development places humans at the center of development while still considering divine values, social ethics, and environmental sustainability. (Chapra, 2021)

According to Islamic concepts, economic development must be implemented in accordance with sharia law in order to create comprehensive prosperity. Islam does not separate worldly life from the afterlife, but rather views the two as an interconnected whole. (An Nabhani, 2002)

Various previous studies have discussed Islamic economic development from the perspective of economic growth and the Islamic financial system. However, most studies have focused on macroeconomic and institutional aspects. This study attempts to present a different perspective by positioning Islamic economic development as a process of human development based on moral and spiritual awareness.

2. Literature Review

The Concept of Economic Development

Economic development is the process of improving social welfare through economic growth, income equality, and an improved quality of life. According to modern economics, development is often associated with increased production, national income, and technological progress. (Todaro, 1995)

However, in practice, modern economic development is often unable to resolve social problems that occur in society. High economic growth is not always followed by equal distribution of prosperity. In a modern economic perspective, the success of development is generally measured through increased national production, growth of gross domestic product (GDP), industrial progress, and technological development. This paradigm places economic growth as the main indicator of the success of a country's development. However, in reality, high economic growth is often unable to create equal prosperity in society. Increased economic growth does not always go hand in hand with equal distribution of income and reduction of social inequality. (Sukirno, 1996)

This phenomenon can be seen in the persistently high levels of poverty, unemployment, and economic inequality in various developing countries. This demonstrates that economic development that focuses solely on material aspects tends to neglect the social and moral dimensions of society. As a result, development often produces quantitative growth but fails to create substantive and equitable prosperity.

Unlike conventional economic concepts, Islam views economic development as part of an effort to achieve the overall well-being of humanity (falah). From an Islamic perspective, development is measured not only by increased income or material wealth, but also by the moral, spiritual, and social well-being of a society. Islamic economic development emphasizes the importance of balancing individual and social interests to create a just, harmonious, and sustainable society. Therefore, Islamic economic development is measured not only by material growth but also by the moral and spiritual well-being of the community. Therefore, economic development must be able to create a balance between individual needs and social interests. (Syamsuri, 2019)

Islamic Economic Concept

In From an Islamic economic perspective , Islamic economics is understood as an economic system built on sharia values and Islamic teachings. All economic activities, whether related to production, distribution, or consumption, must be carried out in accordance with Islamic law so that these activities not only provide material benefits but also constitute acts of worship before Allah SWT. Thus, Islamic economics is an economic system that places sharia as the primary foundation for regulating human economic behavior. (Ghofur, 2017)

Unlike conventional economic systems, which tend to be oriented toward profit and individual interests, Islamic economics views economic activity as part of human moral and spiritual responsibility. Economic activity is not solely aimed at generating profit or increasing personal wealth, but is also directed toward creating social welfare, distributive justice, and shared prosperity. This aligns with the view of M. Umer Chapra (2021), who asserts that

Islamic economics aims to achieve a balance between individual and societal interests through a just and ethical economic system.

In Islamic economic studies, economic issues are not only understood as a matter of limited resources (scarcity), but also related to how these resources are owned, managed, and distributed fairly. According to Taqiyuddin An-Nabhani (2002), the core of economic issues lies in the aspects of ownership, management of ownership, and distribution of wealth to meet human needs. This view demonstrates that Islam places great emphasis on economic equality and the protection of social rights.

The concept of Islamic economics also emphasizes that wealth is not the primary goal of life, but rather a means to achieve human well-being and well-being. Therefore, Islam regulates various economic instruments such as zakat (alms), infaq (donations), sedekah (charity), and waqf (endowments) as mechanisms for wealth distribution to prevent the accumulation of wealth in the hands of certain groups. Through this system, Islamic economics seeks to create social balance and reduce economic disparities within society.

Thus, Islamic economics is not only understood as an economic system that regulates business and financial activities, but also as a system of life that places moral values, justice and welfare on the table. social as objective main development economy .

Economic Development from an Islamic Perspective

Islam views development as a process of developing human life as a whole. The focus of development in Islam is not only physical or material development, but also human development itself. (Purwana, 2013)

Islamic economic development must maintain a balance between humanity's relationship with Allah SWT (hablum minallah) and its relationship with others (hablum minannas). Therefore, economic development must not diminish humanitarian values and morality. (Syamsuri, 2019)

Islam also teaches that humans have a responsibility as caliphs on earth. Therefore, economic development must be carried out fairly and without damaging the environment or social life.

3. Proposed Method

This research uses a descriptive qualitative approach with library research methods . Research data was obtained from scientific journals, books, articles, and various literature related to Islamic economic development.

The data analysis technique used content analysis to identify, group, and analyze key concepts related to Islamic economic development strategies. (Moleong, 2018)

This approach is used to understand how Islamic economic development can be a solution to various problems of modern economic development.

4. Results and Discussion

Problems of Modern Economic Development

Modern economic development essentially aims to improve social welfare through economic growth, industrialization, and technological advancement. However, in practice, modern economic development still faces a number of complex structural issues. An economic system that overemphasizes material growth often leads to development oriented solely toward increasing production, consumption, and economic profit, without considering social, moral, and environmental aspects. (Todaro, 1995)

The conventional economic paradigm generally uses indicators such as Gross Domestic Product (GDP), investment levels, and market growth as primary measures of development success. However, increased economic growth is not necessarily accompanied by equitable distribution of social welfare. This is evident in the growing social gap between the rich and

poor, high unemployment rates, and limited access to economic resources for the poor. (Sukirno, 1996)

Furthermore, the modern economic system has also given rise to a culture of materialism and consumerism. Society is encouraged to continually increase consumption as a symbol of prosperity and success. As a result, economic activity is no longer oriented towards needs but rather towards unlimited desires. This situation leads to overexploitation of natural resources and threatens environmental sustainability.

Another problem is the emergence of unhealthy economic practices, such as monopolies, usury, speculation, and labor exploitation. Modern economic systems often allow capital owners to dominate markets, resulting in an unequal distribution of wealth. As a result, it is increasingly difficult for small groups to compete in a competitive economic system.

From an Islamic perspective, this problem arises because modern economic development tends to separate economic activity from moral and spiritual values. Humans are positioned solely as economic beings (*homo economicus*) oriented toward personal gain. However, economic development should aim not only to increase income but also to build a just, balanced, and dignified social life. (Chapra, 2021)

Therefore, an economic development paradigm is needed that not only emphasizes material growth, but also pays attention to aspects: justice social, balance environment, and moral development of society.

Strategy Islamic Economic Development

Strengthening the Values of Monotheism and Morality

The primary strategy for Islamic economic development begins with strengthening the value of monotheism as the foundation of human life. Monotheism is not only understood as belief in the oneness of Allah SWT, but also serves as the foundation for all human social and economic activities. In Islam, economic activity is viewed as an act of worship, so all economic activities must be conducted in accordance with sharia principles. (Ghofur, 2017)

The value of monotheism fosters an awareness that humans are not, in essence, the absolute owners of their wealth and economic resources. In Islamic teachings, humans are positioned as caliphs on earth, entrusted with the responsibility to manage and utilize resources responsibly for the common good. This awareness fosters economic behavior that is non-exploitative, does not harm others, and maintains environmental sustainability and social balance.

From the perspective of Islamic economic development, strengthening morality is a fundamental aspect. The modern economic crisis is fundamentally caused not only by weaknesses in the economic system and development policies but also by the moral degradation of economic actors. Phenomena such as corruption, market manipulation, fraud, monopoly, labor exploitation, and unethical business practices indicate a crisis of values in contemporary economic activity. This situation demonstrates that economic development without moral development will result in social inequality and economic injustice.

Therefore, Islam places ethical values as a primary principle in economic activity. Values such as trustworthiness, honesty, justice, responsibility, and transparency are essential foundations for building a healthy and just economic system (Syamsuri, 2019). In the context of development, internalizing these values not only serves to shape ethical individual behavior but also creates a more stable, humane economic system oriented toward the welfare of society at large.

Thus, strengthening the values of monotheism and morality in Islamic economic development has a strategic role in creating a development model that not only pursues economic growth, but also builds human quality, social ethics, and spiritual responsibility in a sustainable manner.

Islam teaches the values of trustworthiness, honesty, justice, responsibility, and transparency as key principles in economic activity. These values serve as the foundation for a healthy and just economic system (Syamsuri, 2019).

Optimization Distribution Riches

One of the main issues in modern economic development is the unequal distribution of wealth. Wealth is often concentrated in certain groups, leading to widening social disparities. From an Islamic perspective, wealth distribution is a crucial component of creating social well-being.

Islam does not prohibit individual ownership, but emphasizes that wealth should not circulate solely among the wealthy. Therefore, Islam offers various instruments for wealth distribution, such as zakat, infaq, sadaqah, and waqf.

Zakat has crucial social and economic functions in Islamic economic development. Besides being an obligatory act of worship, zakat serves as an instrument for wealth redistribution, helping to meet the needs of the poor and reduce economic inequality. According to Afiful Ikhwani (2014), zakat not only purifies wealth but also serves as a means of equitable income distribution and strengthening social welfare. Optimal zakat management can lead to a more equitable distribution of income, thereby enhancing social and economic stability.

In addition to zakat, infaq and sedekah also play a crucial role in fostering social awareness and strengthening community ties. These instruments reflect the Islamic values of solidarity and social responsibility, whereby those with surplus wealth are encouraged to help those in need. In a development context, infaq and sedekah can serve as a means of economic empowerment for low-income communities and strengthening social resilience.

Meanwhile, waqf has a long-term development dimension because it can be utilized to support the development of education, health, and public facilities, as well as community economic empowerment. Productive waqf even has the potential to become an instrument for sustainable economic development if managed professionally and productively. Thus, waqf is not only an act of worship but also has broad social and economic impacts on community welfare.

Optimizing wealth distribution in Islamic economics ultimately aims to create social balance and reduce economic inequality. More equitable distribution will provide greater opportunities for people to improve their quality of life, gain equitable economic access, and actively participate in the development process. Therefore, wealth distribution in Islam is understood not only as an economic activity but also as an instrument . For realize justice social and welfare people in a way sustainable .

Strengthening the Real Sector

From an Islamic economic perspective, sustainable economic development must be based on strengthening the real sector as the primary foundation of economic activity. Islamic economics places the real sector as a strategic element because it is directly linked to the production of goods and services that provide tangible benefits to people's lives. Unlike speculative economic activity, the real sector directly contributes to job creation, increased productivity, and more stable and equitable economic growth. Healthy economic development must be based on productive economic activity that creates real added value for society. (Chapra, 2021)

Strengthening the real sector in the Islamic economy can be achieved through the development of various strategic sectors, such as micro, small, and medium enterprises (MSMEs), trade, agriculture, the halal industry, and Sharia-based entrepreneurship. Within the context of national economic development, MSMEs play a crucial role because they absorb a large workforce and are an effective instrument in reducing unemployment. Furthermore, MSMEs are the main foundation of the community's economy because their activities are more closely aligned with the economic needs of the people and can reach lower-middle income groups.

From an Islamic economic perspective, strengthening the real sector also implements the principles of justice and economic productivity. Islam encourages business activities that generate tangible benefits through healthy production, trade, and distribution processes. Therefore, Islam prohibits various speculative economic practices such as usury (riba), gharar (gharar), and maisir (gambling), as these practices are considered to cause economic instability and harm society at large. Speculative economic activities tend to generate profits without being supported by real production activities, potentially creating economic inequality and financial crises.

In Islamic economic development, productive economic activity is seen as more capable of creating economic stability because it is based on real community needs and a clear production process. Strengthening the real sector can also strengthen community economic resilience because the source of economic growth comes from sustainable business activities and has a direct impact on social welfare.

Furthermore, the development of the halal industry and Sharia-based entrepreneurship is a crucial part of the strategy to strengthen the real sector. The halal industry encompasses not only the food and beverage sector but also encompasses cosmetics, pharmaceuticals, halal tourism, and the Sharia-based creative industry. The development of these sectors holds significant potential for increasing economic competitiveness and expanding business opportunities for the community.

Thus, strengthening the real sector in Islamic economics is not only aimed at increasing economic growth, but also at building an economic system that is fairer, more stable, more productive, and more oriented towards the welfare of society as a whole.

Islam prohibits speculative economic practices such as usury, gharar, and maisir (gambling), as these activities can create economic instability and harm society. Therefore, Islamic economics emphasizes productive economic activities that generate tangible benefits. Strengthening the real sector will create a more stable economy because based on activity production and needs real society.

Human Resource Development

From an Islamic economic perspective, humans are a central element in the development process. Islam views the success of economic development not only as determined by the availability of natural resources and technological advancement, but also as greatly influenced by the quality of a society's human resources. Therefore, economic development will not proceed optimally without the support of qualified, productive people with good moral integrity. As explained by Agung Eko Purwana (2013), development in Islam is essentially oriented towards holistic human development, not solely material development.

Human resource development in Islam focuses not only on improving intellectual abilities, job skills, and economic productivity, but also encompasses individual moral and spiritual development. Islam views a quality human being as one who possesses a balance between knowledge, morals, social responsibility, and spiritual awareness. Thus, human development in Islam has a more comprehensive dimension than conventional development concepts, which tend to emphasize solely skills and economic productivity.

In this context, education holds a highly strategic position as a primary instrument in human resource development. Through the educational process, people not only acquire knowledge and skills but also develop mindsets, character, and an understanding of moral values and social ethics. Education plays a crucial role in improving the quality of life, expanding economic opportunities, and developing human resources capable of adapting to changing times without losing their moral and spiritual values.

In addition to formal education, human resource development in Islam also involves the development of an Islamic work ethic. Values such as discipline, hard work, trustworthiness, professionalism, responsibility, and honesty are essential in developing the character of productive individuals with integrity. This work ethic aims not only to increase economic productivity but also to foster more responsible and just social behavior.

Furthermore, human development from an Islamic perspective is aimed at creating individuals who are not only capable of meeting their personal economic needs but also possess social awareness and contribute to the welfare of society. In other words, in Islam, humans are positioned not merely as economic actors but also as agents of development with a moral responsibility to create a harmonious and just social life.

Thus, human resource development in Islamic economics is an integrative development process because it combines intellectual, economic, moral, social, and spiritual aspects in a balanced manner. This approach demonstrates that the ultimate goal of development in Islam is not only to create economically productive individuals, but also individuals who are morally responsible, answer, and be able to give welfare for public wide.

Maintaining Material and Spiritual Balance

Islam teaches that prosperity is not only measured by material aspects, but also by the peace of mind and balance of human life (Susanto & Manara, 2017). Therefore, Islamic economic development emphasizes the importance of a balance between material and spiritual needs. In the modern economy, success in life is often measured by wealth, consumption, and material possessions. As a result, humans tend to experience social pressure and individualism.

In contrast to the modern economic paradigm, which often views wealth, consumption, and material possessions as the primary indicators of success in life, Islam views an overly materialistic orientation to life as a potential source of various social and psychological problems. A lifestyle focused on material accumulation often breeds individualism, unhealthy competition, social pressure, and a decline in concern for moral and humanitarian values. Consequently, despite increasing economic incomes, many individuals continue to experience a crisis of peace and a loss of social meaning in their lives.

In Islamic teachings, wealth is viewed as a means to achieve well-being, not as the primary goal of human life. Therefore, economic activity must be conducted within ethical and sharia-compliant norms to avoid social harm, economic injustice, or environmental exploitation. Islam teaches that humans have a moral responsibility to utilize wealth and economic resources so that economic activity not only generates personal gain but also benefits the wider community.

The balance between material and spiritual aspects is a crucial principle in Islamic economic development. This balance will create a more harmonious life because humans are not solely focused on economic achievement but also on building good social relationships, strengthening morality, and increasing spiritual closeness to God Almighty. In the context of development, this balance is a crucial foundation for creating a society that is not only economically advanced but also possesses strong moral and social qualities.

Economic development based on a balance between material and spiritual values will foster more sustainable development. This is because development is not solely focused on pursuing short-term economic growth but also on the sustainability of social life, the environment, and human values. Therefore, the concept of material and spiritual balance in Islamic economics demonstrates that true development is not merely about improving economic well-being, but also about building a holistic and dignified quality of human life. Islam views wealth as merely a means to achieve well-being, not the ultimate goal of human life. Therefore, economic activity must remain within moral boundaries and avoid causing social or environmental damage.

Material and spiritual balance will create a more harmonious life because humans are not only focused on pursuing economic gain, but also building social relationships, morality, and closeness to Allah SWT.

Comparison

Research novelty This lies in the development draft development Islamic economics based on development human and spiritual consciousness .

Different with study previously more focused on growth economy , system Islamic finance , or policy economics , research This put development man as the main core development Islamic economics .

Study this also confirms that success development economy No only determined by growth economy , but also by moral qualities , spiritual awareness , and balance social public.

5. Conclusion

Based on results Based on the studies conducted, it can be understood that Islamic economic development is a holistic development concept because it emphasizes not only economic growth but also focuses on the overall development of human quality. From an Islamic economics perspective, development success is measured not only by increased income and material progress, but also by the creation of social, moral, and spiritual balance in community life.

The Islamic economic development strategy is realized through various integrated approaches, such as strengthening the values of monotheism and morality in economic activities, equitable distribution of wealth through sharia economic instruments, developing a productive real sector, improving the quality of human resources, and establishing a balance between material and spiritual needs. This strategy demonstrates that Islam views development as a process of establishing a just civilization oriented toward the welfare of the people.

The results of this study also confirm that Islamic economics has strong relevance in addressing various modern development challenges, such as social inequality, poverty, moral crisis, and economic exploitation. This is because Islamic economics places humans as the primary subject of development, not merely as a means of production within the economic system. Therefore, Islamic economic development seeks not only to generate economic growth but also to foster a harmonious, ethical, and just social life.

Therefore, Islamic economics cannot be understood simply as an alternative economic system, but rather as a development paradigm that offers a more humane, just, and sustainable concept of well-being. Through the integration of economic, moral, social, and spiritual values, Islamic economic development has great potential to provide a solution to various crisis development faced modern society today .

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