SHARIA ECONOMIC LAW POLICY UMAR IBN AL-KHATTAB

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Abstract
Umar Ibn al-Khattab (584-644 M) was the second caliph in Islamic history after replacing the caliph Abu Bakr al-Siddiq. He was one of the companions of the Prophet SAW who had strong morals, was energetic, fair, and wise, had a firm and complex character, and had managerial and administrative abilities. Umar as caliph, only ruled for more than ten years, but in that short period, there were many successes and advancements experienced by Islamic society, especially in the economic field. So it is prevalent in the history of the Islamic world that the reign of Umar was a golden age in Islamic history. The success of Umar's leadership, especially in reforming and developing the community's economic system and prospering their lives, is due to scientific abilities, ijtihad, and a well-established managerial system in regulating the country's foreign exchange. Utilization and proper distribution, as well as rigorous and disciplined supervision. This can be understood from the various economic law policies carried out when applying the principles of production, consumption, and distribution based on fairness in law enforcement and fair distribution.

Keywords: Policy; Sharia Economic Law; Umar Ibn al-Khattab.

Abstrak
Pemanfaatan dan pendistribusian yang tepat serta pengawasannya yang sangat ketat dan disiplin. Hal tersebut, dapat dipahami dari berbagai kebijakan hukum ekonomi yang dilakukan ketika menerapkan prinsip-prinsip produksi, konsumsi dan distribusi, dengan dasar adil dalam penegakan hukum, dan adil dalam pendistribusian.

Kata Kunci: Hukum Ekonomi Syariah; Kebijakan; Umar Ibn al-Khattab.

A. INTRODUCTION

In the trajectory of Islamic history, Umar Ibn Khattab (let's say: Umar) is one of the friends of the category of al-Khulafau al-Rashidun. During his struggle for life and leadership as the second caliph in Islamic history after replacing the caliph Abu Bakr al-Siddiq, not a few contributions and sacrifices, both in the form of energy, thoughts, and attention as well as active in carrying out various policies, especially those directly related to the problems of the economic life of the community, which this, in turn, can further improve the level of welfare of the community's life or economy.

When Umar had just finished being inaugurated as caliph (634 AD), with the trust of the throne of power, Umar immediately announced to the people about the Islamic state's financial management system and wealth. He said; whoever wants to ask about the Qur'an, then come to Ubay bin Ka'ab. Whoever asks about the science of afraid (inheritance) then comes to Zaid bin Thabit. Whoever asks about wealth (economics), then come to me because Allah SWT has made me a treasurer and a distributor. Oh, my people, a person's right to something should not be considered disobedience. I did not find a way for state property and make it a benefit except through three ways: taking it correctly, giving it according to its rights, and preventing it from being false. Verily, I and your wealth are like caring for an orphan; I would not use it if I had enough. And if I lack, then I will use it in the right way. I will not let anyone oppress the other or be against him until I can slam one cheek on the ground and put my foot on the other cheek so that he will both listen and accept the truth. I feel happy by holding this power. Oh, my people, know that my firmness and violence can be softened. My firmness will apply to wrongdoers and those who disturb Muslims. As for those who are religious and those who are noble in heart, then I will be lenient with them. In some points that I will mention regarding your rights, my people, then claim
your rights from me. I will not take anything from your kharaj or the property Allah has given you. Your rights to the property that I run I will not spend except according to their rights. So it has become my duty to provide additional gifts and sustenance for you and cover your debts, God willing.¹

The managerial system that Umar communicated gave a signal that the economic system in Umar's time had been regulated and managed in such a way according to the legal system of Sharia economists themselves or by the laws of Allah and His Apostle Muhammad. Umar consistently applied and realized the moral messages of the Quran and the Sunnah. If their various problems are being faced and cannot be found in the Quran and al-Sunnah, then move to the search for evidence originating from the opinions of the companions of the Muhajirin and Ansar when they have agreed on a problem, then Umar applies it as part of his virtue².

In general, according to Mahmud Syakir. During his leadership as the second caliph, Umar had put in place an excellent political and economic managerial system, firmness of principles, and thoughtful planning, laid the foundations of effective economic and management systems, and described the lines of conquest and regional administration arrangements. Conquered areas, guarding for the benefit of the people, enforcing justice in every area and against all humans, expanding deliberation, making corrections to state officials and preventing them from oppressing the people, in the end being able to defeat the two great world empires; Persians and Romans, conquered Egypt, some parts of Africa and others, the development of the Kufa, Basrah, and Fustath regions of their time.³

Among academics and especially experts in Sharia (Islamic) economic law, they have also commented, written, and discussed Umar's role and contribution to developing, especially the economic problems of the people of his time. Examples include Jaribah bin Ahmad al-Haritsi, in his doctoral dissertation entitled Al-Fiqh Al-Iqtishadi Li-Amril Mukminin

¹ Qutb Ibrahim Muhammad, Kebijakan Ekonomi Umar Bin Khattab (Jakarta: Pustaka Azzam, 2002), 20.
² Muhammad, 19.
Umar Ibn Khattab, which has been translated into Indonesian by Asmuni Solihan Zamakhshyari, with the title Economic Fiqh Umar bin Al-Khattab. Likewise, Qutb Ibrahim Muhammad, in one of his books entitled As-Siyasah Al-Maliyah Li-Umar bin Khattab, which has also been translated into Indonesian by Ahmad Syarifuddin Salih, with the title Economic Policy of Umar bin Khattab. It shows how much of the legacy of Umar's economic law policies is to bridge the community so that people can easily understand how deep Islamic Sharia is with its rich substance regarding the economic and legal system, which is a fundamental part of interpreting life and life. So according to the conclusions of the research results of Jaribah bin Ahmad Al-Haritsi in his dissertation, it is said that during the Caliphate of Umar, which was a reflection of the correct application of the economic system to Islamic methodology, ijtihad was considered a Sunnah (way of life) which should be adhered to by the next generation of people.¹

Umar's approach to economic governance was characterized by a firm commitment to justice, fairness, and the community's welfare. What sets Umar's economic system apart is its unique integration of moral messages derived from the Quran and the Sunnah. This dynamic approach, combining divine guidance with human reasoning², created a dynamic framework for economic governance that stood the test of time.

Recognizing the managerial system and successes of Umar's leadership, it is crucial to further explore and present his Sharia economic law policies as a primary reference for developing knowledge in this field. By delving into the intricate details of Umar's economic principles and policies, we can gain valuable insights into the foundations of a just economic system that harmonizes with Islamic teachings. Through this exploration, we can understand the historical context and draw lessons and inspiration to address contemporary economic challenges from an Islamic perspective.

This article utilizes the library research method to examine the

role of Umar Ibn Khattab in the Sharia economic law context. The method involves studying relevant literature and analyzing content from various sources. Library research is beneficial when studying historical figures and events, as it enables researchers to explore existing knowledge, consider different perspectives, and derive insights from previous studies. By employing this method, we can gather and analyze information to develop a comprehensive understanding of Umar Ibn Khattab's economic policies and their implications within the framework of Islamic economics.

In summary, this introduction emphasizes the significance of Umar Ibn Khattab's economic management system, highlighting its distinctive features and its integration of Islamic principles. By reevaluating his policies and analyzing their impact, we can contribute to advancing knowledge in Sharia economic law and draw proper lessons for contemporary economic governance.

B. RESULTS AND ANALYSIS

1. Umar Ibn al-Khattab, His Traits, and Personality

In general, historians of the Islamic world mention Umar's lineage or descendants from his father and mother by saying: Umar Ibn al-Khattab bin Nufail bin Abdil 'Uzza bin Riyah bin Abdullah bin Qurh bin Razah bin Adi bin Ka'ab bin Luayyi bin Ghalib al - Qurasyi al-'Adawi. In contrast, his mother was Hantamah bint Hasyim bin Mughirah, from Makhzumi, where Hantamah was the cousin of Abu Jahal. His kun-yah is Abu Hafash, and his laqab (title) is al-Faruq. It was called so because of his openness and openness to Islam when others hid their Islam. So at that time, Umar could distinguish between right and wrong or wrong and right.  

Umar, according to a history of being born 13 years after the occurrence of the elephant army (al-Fiil), at that time it can be estimated that Umar was born in 584 AD because the majority of historians say that the elephant event occurred in the year of the Prophet's birth, namely in 571 M. However, another history or opinion also says that Umar was born

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in 586 AD\(^7\). Umar lived for about 63 years (another opinion is 65 years), more than half of his age in the darkness of ignorance is unknown, has no name and nobility, except for being a representative of the Quraish in the event of war with other tribes, as well as if there was a dispute. Then the second half of Umar's age, in the light of his faith, from then on, his reputation was very well known, and he was one of the significant figures who was highly respected, especially after declaring himself a Muslim.

Before embracing Islam, Umar strongly opposed and even wielded his sword against the teachings of Islam and its followers. However, his perspective underwent a radical transformation upon converting to Islam. Umar became one of the most resolute and fearless defenders of Allah and His Messenger. His life became an influential chapter in Islamic history, and his remarkable qualities and captivating stories have captured the attention of historians. Emotional struggles marked Umar's journey, but he eventually emerged as an intellectual and rational individual. His pivotal role in the spread of Islam cannot be understated, as his efforts in conquering regions of power were instrumental in establishing the widespread presence of Islam that we witness today.\(^8\)

Umar is a descendant of Bany 'Ady, famous for his social qualities of being fair, honest, and polite. Before, Umar embraced Islam and was not well known by the people then, but he already had the qualities of authority. With the authority or charisma attached to it, it is closely related to genetics or heredity and the upbringing of his parents, who are hard-hearted and rough-hearted and are respected as wealthy. Umar, usually burdened by his father herding camels and goats, was exhausted by his father when he worked, and sometimes he beat him if Umar ignored him. In the end, during Umar's life, he obtained an inheritance from his parents, and he used it as business capital which in turn caused his life status to become a prominent wealthier. Umar is tall and burly, has thick body hair, hair flowing from both sides of his head, reddish-white skin, and some say light brown, thick beard, and a thick mustache. Among the following characteristics of Umar, the most important can be stated as follows: and always shines his gray hair with hana. Has noble mental

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\(^7\) Michael H Hart, *The 100: A Ranking of the Most Influential Persons in History* (Amerika: Carol Publishing Group, 1992), 261.

qualities; fair, full of responsibility, rigorous supervision of officials and state apparatus, polite to the people and enthusiastic in realizing their benefit, firm in religious matters, authoritative and respected by humans, sharp hunches, broad knowledge, intelligent understanding, and other characteristics.\textsuperscript{9}

Among the following characteristics of Umar, the most important can be stated as follows\textsuperscript{10}:

a. Fairness and Firmness

Fair in the sense of being equal, balanced, and concerned with individual rights and giving those rights to each owner. M. Quraish Shihab defines this understanding as placing something in its place or giving the other party their rights through the closest route. The opposite is tyranny in the sense of violating the rights of other parties.\textsuperscript{11} This trait was possessed by Umar thanks to the inheritance and upbringing of his father and grandfather, as has been mentioned, who is famous for being a just, complex, and authoritative person among his people. They are people who do not want to side with the strong and do not want to be cruel to the weak because, according to their belief, taking sides with the strong is cowardly, while mistreatment of the weak is an act of abuse. In addition, the dominant factor that strengthens Umar's justice is the teachings of the Islamic religion that he has embraced. After embracing Islam, it turned out that Umar held fast to the teachings of Islam and was persistent in defending Islam to balance his steadfastness and persistence in opposing the teachings of Islam before he entered it.\textsuperscript{12}

b. Hard nature and social spirit

This hard nature became the hallmark of Umar, both during the jahiliyyah period as well as part of his beautiful story after embracing Islam. Hard in helping the truth and quelling tyranny, solving various


\textsuperscript{10} Haritsi, \textit{Fikih Ekonomi Umar Bin Khathab}, 19.


\textsuperscript{12} Abbas Mahmud Al-Akkad, \textit{Kecemerlangan Khalifah Umar} (Jakarta: Bulan Bintang, 1978), 37.
social problems, and facing them steadfastly and with determination. He strictly served religion and upheld Allah's commandments, namely carrying them out in all their meanings and being guided with great care and strength. One of the proofs of Umar's harsh nature, even against his own family, is that one time he pulled and whipped his sister when Aisyah and her friends wept bitterly at the time of Abu Bakar's death, Umar had advised him to do so. Likewise, his own son Abdurrahman was once caught drunk and had lost consciousness, but the governor of Egypt at that time, Amru bin 'Ash, did not impose a hard sentence. Umar knew about this incident. Umar, as caliph, felt responsible and took over the execution of the Had punishment of his own son.\textsuperscript{13}

On the other hand, behind his harsh nature, his social care and sense of solidarity are also part of his daily life. Sometimes he would cry when the poor and needy came and complained about their brutal fate because of the delay in giving rations from the baitul mal. One day an old man came to be pitied. Umar knew the old man was a Jew but did not expel him. Instead, he invited him into the house while giving him what he asked for. After that, Umar took him to the Baitul Mal administrator and ordered that the old man be given a share of zakat because zakat can be given to the poor from the people of the book.\textsuperscript{14}

c. Authoritative and Scientist

Umar has great authority and is highly respected by everyone who sees him. Even the devils are afraid and run from him. Fear is accompanied by reverence in the heart and often accompanied by love and recognition. Behind the nature of his authority, Umar is also humble, easy to return to the truth and accept it from anyone without the slightest objection. Even always begged the people to show their shortcomings, helping people in need with both hands, sometimes sleeping under the trees without guard, not liking the phenomenon of social behavior of pride and arrogance, and often even carrying a bucket on his back as training and educate himself while saying that my lust always pushes me to ujub, so I want to humiliate him.

\textsuperscript{13} Al-Akkad, 38.

Regarding Umar's knowledge, one of Abdullah bin Mas'uds’ companions said: If Umar's knowledge were placed on one plate of scales, and those who live on earth were placed on another, Umar's knowledge would surpass their knowledge. Indeed they (the Companions) think he left with 90% knowledge. Then one of the inspirations that Umar had, according to the results of Jaribah's research, was that several times the revelations of the Qur'an were revealed according to the opinions and results of his ijtihad. It is a privilege that belongs only to him and not other friends. Some scholars calculated the suitability of Umar's opinion and results of ijtihad with the revelation of the Qur'an, so they got as many as 15 conformities. Umar's accuracy in speaking the truth and knowing the truth (through his ijtihad) is in accordance with the meaning of one of the words of the Prophet Muhammad, whose translation is that Allah has indeed put the truth on Umar's tongue and in his heart. In line with what Qutbth Ibrahim Muhammad said, Umar's scientific knowledge showed several opinions and laws that were revealed in the Qur'an at the time of the Prophet Muhammad, assisted Abu Bakr in legal matters, and even issued many economic and economic fatwas has answered various questions, especially regarding the affairs of public assets.\textsuperscript{15}

d. Supervision Discipline

Umar is the key to the success of Islamic economics because he is the key to Islam. Umar's economic reforms were applied in various forms, and among them were developing the legal system of economics by regulating the country's foreign exchange, income, and expenditure, state officials such as employees, governors and handling of zakat and baitul mal, taking jizyah from the people of the book and directing other sources of foreign exchange for the good of Islam and the Muslims, as well as providing funds for the army to spread da'wah and expand its territory. Thus, Umar had a managerial and financial administration system that greatly enabled him to regulate the economy of an Islamic country with a successful regulatory system. Umar is good at guarding, caring, and proficient in supervising and protecting state assets.\textsuperscript{16}


\textsuperscript{16} Muhammad, \textit{Kebijakan Ekonomi Umar Bin Khattab}, 22.
2. **Umar's Policy in Economics**

As it is known that since Umar declared himself a Muslim, it was the initial capital of victory for Muslims at that time, as well as raising the greatness of the Islamic flag. The conquest of the territory is getting increasingly widespread. As more and more people convert to Islam from various nations, there is a rush to increase wealth to the State as state foreign exchange. Conquests essentially marked the ten years of Umar's reign to expand the influence and power of Islam, and Umar controlled these conquests from Medina as the center of his government.

The firm attitude nurtured since the beginning has also colored his various policies. He is an innovator, at least according to Amiur Nuruddin, and three important factors seem to have influenced his policies in the law field: military, economic, and demographic factors. Besides that, Qutb Ibrahim Muhammad also quoted that among the factors that caused the economic development of society to be more rapid in Umar's time was due to Umar's ijtihad method (the breadth of jurisprudence and knowledge). Where he always relies on the Book of Allah and the Sunnah. If he does not find a law between the two, he discusses and asks for the opinion of the experts, and then he does ijtihad reasoning in new events where there is no text in it. Likewise, in running his government, Umar was always responsive to the situation and conditions of the community. So the ijtihad method developed by Umar in a broad sense, namely the use of reason to produce and explain sharia laws, with thought and psychological processes that range from interpreting the text of the Qur'an, as well as evaluating the authenticity of hadith. So that the principles laid down by the Qur'an, al-Sunnah, and al-Ijma' are expanded and applied to solve new problems that have not been revealed and regulated previously. Various products resulting from ijtihad in the form of fundamental policies of Sharia economic law carried out by Umar to develop the community's economy in his time, including the following:

a. **Regarding Foreign Exchange Regulations**

In principle, the results of state income during Umar's time

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included several types, namely: zakat, 1/5 of the spoils of war, kharaj, jizyah, and 'usyur (customs)\(^\text{19}\). Regarding zakat. It is understood that when the Prophet Muhammad died, some people refused to pay zakat because the obligation had been completed according to their understanding. When Abu Bakr became caliph, fighting those who were reluctant and refused to pay zakat so that zakat collection operations remained normal again until the position of the caliph shifted to Umar, it continued to run smoothly, even though Umar concentrated more on its implementation by giving fatwas with his knowledge or the results of his ijtihad. Among others, for example:

1) Trade zakat. Umar gave a signal about the existence of zakat from trading assets after the price was calculated and combined with other assets. This argument is taken from one of the hadiths of the Prophet SAW, which means that people who take care of orphans and he has property then let him trade with that property and don't just let demands spend it for sadaqah (zakat).

2) Honey Zakat. Umar equated zakat on honey with zakat on plants. If it is irrigated with rainwater, that is, 1/10 is taken. If it is irrigated with upstream water, half of 1/10 is taken. From Amru bin Shu'aib from Hilal bin Murrah, the Ummah said about zakat 1/10 of honey, "What has been obtained in an easily accessible place is taken 1/10 of it, while what is on the mountain is taken half of 1/10 that".

3) Justice in taking zakat. Shihab bin Abdullah al-Khaulani said that Said went out with the companions of Ya'lla bin Umayyah to come to Umar in Medina. Then Umar asked, where do you want to go? They replied that they wanted to do jihad (join the war). Then Umar said: come back because working correctly and adequately means you have fought jihad. When they were returning, Umar said if you passed the owner of the property, then remember to remind the owner to pay zakat and divide the property into three groups. The property owner chooses 1/3 of it. Then the rest is taken for the obligatory zakat from one of the other two parts so

that people who take zakat do not choose the good stuff and leave the bad for the owner.\textsuperscript{20}

Regarding $1/5$ of the spoils of war. As a further result of the conquests, economic resources that were not previously obtained in the middle of the Arabian Peninsula opened. Taxes from the conquered areas flowed into Medina. During his reign, Umar received $1/5$ of the spoils of war from every Muslim army that won. With a very high value in the form of treasures and jewelry and furniture, beautiful clothes, and various priceless mementos. The extent that Sa'ad Ibn al-Musayyab once found in Kisra's warehouse containing 3 trillion dinars as well as various kinds of jewelry and priceless items.\textsuperscript{21}

As quoted by Amiur Nuruddin that Abu Yusuf reported from a source originating from Sa'ad Ibn al-Musayyab, that when $1/5$ of the Persian war booty was brought to Medina, Umar ordered that it be placed in the mosque and ordered Abd al-Rahman Ibn 'Auf to supervise and take good care of it. After the morning, the loot items were opened and closed, then Umar saw something that he had never seen so much, in the form of gold, silver, diamonds, and diamonds. Then Umar wept, then Abd al-Rahman Ibn 'Auf said: we should be grateful, but why are you crying? Umar replied, yes, we are grateful. But people who are given wealth like this will surely cause enmity and solemnity among themselves.\textsuperscript{22}

Regarding kharaj. Kharaj is a type of tax imposed on land which is mainly conquered by force of arms, regardless of whether the owner is a minor, an adult, a free person, a slave, a Muslim, or an unbeliever. Some interpret that kharaj as property issued by the owner of the land to be given to the State, or in other words, what is paid for agricultural land taxes or taxes on agricultural products. At the time of the Messenger of Allah, the lands that were controlled without going through war could be used freely according to the benefit of the Muslims. However, if the lands are controlled through small wars, the division has been determined, namely $1/5$ for the Messenger of Allah, close relatives, orphans, the poor, and Ibn Sabil, while $4/5$ parts are divided for the war troops.

\textsuperscript{20}Muhammad, \textit{Kebijakan Ekonomi Umar Bin Khattab}, 44–45.

\textsuperscript{21}Muhammad, 58–59.

The land of Khaibar, for example, was a source of kharaj for the economy of Muslims at the time of the Prophet Muhammad. The Messenger of Allah had distributed lands to Muslim warriors, and then the land was handed over to the Khaibar Jews not to be used as their property but to be cultivated for agricultural land according to the conditions they proposed, namely, they get 1/2 of the crops and fruits. So, the form of kharaj is like muzara’ah or musaqah.

According to M. Abdul Mannan that there are two ways in terms of collecting kharaj, namely by comparison (muqasimah), which is determined by the portion of the yield, such as 1/2 or 1/3 of the yield or collected at each harvest. Second, by means of fixed kharaj (wazifah), namely a special burden on the land as much as natural products or land unit money and remains obligatory after a year has passed. In the case of fixed kharaj, the tariffs set by Umar on Sawad's land were generally considered decisive. If there was an aspect that Umar did not specifically address, it was the determination of taxes based on the ability to pay. The maximum tax burden was set at half of a person's income. As for the lands that were acquired peacefully and an agreement was reached to share half of the produce, the Messenger of Allah used it for the benefit of the Muslims. He did not distribute it but left it with the owner. Therefore, the ability to bear taxes became the benchmark for taxation. The maximum tax burden was set at half of a person's income. Similarly, in the case of lands under the control of the Messenger of Allah, through peaceful means and agreements were made to share half of the produce, the Messenger of Allah utilized them for the benefit of the Muslim community. He did not distribute them but rather left them with the respective owners.23

During the time of Umar, lands controlled through war (fai' treasures) were not distributed and even made the public property of Muslims, and kharaj were taken from them. Thus, the land became the property of fai' and became the public property of the Muslims who participated in the war. It's just that Umar limited the kharaj share to the basis of land area, connecting the specified parts with the types of plant products removed from the land so that the number of kharaj could

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increase according to crops that had a high value. The number of kharaj will decrease if the price of the crop is low, thus conforming to economic justice. Furthermore, the next source of state revenue is the jizya-tax imposed on non-Muslims (ahl al-Kitab, Majusi, and non-Christians, such as the Tughlab and Najran children), in return for the guarantees given by an Islamic State to them to protect their lives for example property, religious worship and for exemption from military service. The non-Muslim group whose life and property are guaranteed like that is called Dzimmi.

Umar also charged jizyah with an annual rate for the rich of 48 dirhams (4 dirhams a month). For the middle class, it was 1/2 of that amount, and for poor people who were able to meet their daily needs, it was 1/4 of that amount. The condition of the withdrawal of the jizyah was highly developed in line with the increase and development of areas of Islamic rule during Umar's time. According to Amiur Nuruddin as he quoted that although the sources that describe the excessive acceptance of the truth are doubted by Thaha Husein, he admits that the wealth received was much greater than expected and expected by the Arabs. That means that the conquests of the Islamic territories during Umar's time were equivalent to economic prosperity at that time. But he admitted that the wealth received was far greater than expected and expected by the Arabs. That means that the conquests of the Islamic territories during Umar's time were equivalent to economic prosperity at that time. But he admitted that the wealth received was much greater than expected and expected by the Arabs. That means that the conquests of the Islamic territories during Umar's time were equivalent to economic prosperity at that time. But he admitted that the wealth received was much greater than expected and expected by the Arabs. That means that the conquests of the Islamic territories during Umar's time were equivalent to economic prosperity at that time.  

Finally, regarding receipts through 'usyur (customs). 'Usyur is a tax levied on merchandise that enters an Islamic country or comes from an Islamic country itself. 'Usyur was not known at the time of the Prophet Muhammad and in the time of Abu Bakr. The source is not from the Qur'an and not from al-Sunnah but comes from the results of the ijtihad of the companions with the argument that Umar had consulted with the

24 Mannan MA, 1:249; Nuruddin, Ijtihad Umar Ibn Al-Khattab, 129.
companions, even the implementation of his obligations was able to realize general benefit for traders and Muslims in general. Because if the `usyur are not obligated to their merchandise whose capital is taken from the enemy country (land of Harb), then the price of their merchandise can be higher than the merchandise of the Muslims, which in the end will harm the Muslims themselves. Umar charged the unbelievers with the nisab of 1/10 of each of their merchandise, and the price had exceeded 200 dirhams. But if it has not reached 200 dirhams, then nothing is imposed on it. Likewise, the Dhimmis are charged 1/2 of 1/10, and the Muslims are charged 1/4 of 1/10.\(^{25}\)

Based on the various sources of foreign exchange mentioned above, it can be concluded that the increase and development of foreign exchange during Umar's period were rapidly influenced by the following:

- Its role in preparing the state's foreign exchange budget based on truth and justice in the form of projects that can affect the increase in foreign exchange. Such as the regulation of jizyah and the determination of land taxes, ghanimah, and customs demands (`usyur).
- The gradual expansion of Islamic territory also led to an increase in state revenue sources. The increase in the number of Muslims has an influence on the increase in zakat income. The success achieved on the battlefield affected the increase in the wealth of the ghanimah and the kharaj tax, for which people who had not converted to Islam from the occupied countries had to pay the jizyah. In addition, trading activity increased because of the expansion of Islamic territory, which affected customs revenues.

b. Regarding the Financing of Public Facilities

As it is understood that for the purpose of general financing of various foreign exchange earnings in the Islamic economy, in fact, it has existed since the time of the Prophet Muhammad, and furthermore, it was more developed during Umar's time because of Umar's efforts in advancing the Islamic economy and its basics at that time. All foreign exchange earnings from various sources become assets stored in the Baitul Mal to be further utilized for the welfare of the people's lives and

economy. For example, regarding the distribution of zakat procedures, in addition to the distribution based on the intent in Surah al-Taubah verse 60, namely distributed to the poor, poor, people who handle zakat, people who are attracted to Islam, slaves, people who are in debt, sabillah and Ibn sabil, also Umar is very selective in his distribution system. For example, Umar stopped the distribution of zakat assets to converts (Islamic sympathizers) because the state and the da'wah of Islam had expanded, had shown the greatness of his teachings, and had contributed to many countries. To tame or captivate someone to Islam by giving something or a certain part requires a large amount of money, while it can be done through private preaching to subdue their faith so that it really penetrates and shines in their hearts so that they are attracted to Islam.

Likewise, Umar has determined one of the roles of Baitul Maal, namely, to redeem the Muslim prisoners of war with the people's property. This step is because every Muslim has the right to Baitul Mal. Therefore, if a disaster befalls a Muslim, the Baitul Maal must act quickly to provide social assistance. In the case of prisoners of war, the ransom can be taken from the zakat fi-sabilillah portion and from 1/5 of the spoils of war. What is clear, according to Qutbh Ibrahim Muhammad, is that the financing of the Islamic state budget during Umar's time for the general benefit was taken from a foreign exchange which had no specialization, namely jizyah, kharaj and `usyur. Financing for the general benefit includes all financing for state apparatus and providing services to the people, such as paying employees who work in state offices, insurance, financing social services, financing various places and public housing, and other public projects that have been planned by the state to the benefit of citizens.

Regarding State Financial Supervision

During Umar's time, it is well known that the area of power and the area of Islam grew wider because of the victory of the Muslims in their struggle. Baitul maal's wealth is also increasing from the results of fai',

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27 Muhammad, Kebijakan Ekonomi Umar Bin Khattab, 128.
jizyah, kharja, and `usyur. This increase will automatically greatly affect the country's economy, so the wealth control system is useful for protecting public assets and ensuring the smooth process of entering and spending the budget, as well as guarding the rulers against the temptation of state wealth when they are assigned. Internal supervision was carried out by Umar, applying the principle of being careful with himself and hard on his family. Umar always gave examples in the form of zuhud and iffah (awakening) from the misappropriation of state assets. The assets are all for the social interest of the people, not for the benefit of Umar or his family at all. Once, Umar's son-in-law came to him asking to be given a share of the baitul mal. Umar scolded him, saying: do you want Allah to call me the leader of the traitors? After that, Umar only gave his personal property to his son-in-law. In addition, Umar also always conducts financial self-examinations and audits the wealth of regional governors before they take office as a measure to assess if he is found to have obtained additional illegal assets because of his work while in power.

Umar implemented a financial audit system by always looking for various sources of information and asking all residents about their governors so that it can be detected whether the local government system is good or not in solving the socio-economic problems of the community, including in terms of managing and regulating state assets. The supervision and inspection efforts carried out are a guarantee for the arrival of all state assets to the Baitul Mal after they are obtained, and there will be no misuse of their use by some leaders of these assets. The executive must not interfere in managing the Baitul Mal assets.

At the provincial level, officials who are responsible for the assets of the people are not dependent on the governor, and they have full authority in carrying out their duties and are directly responsible to the central government, including in terms of managing and regulating state assets. The supervision and inspection efforts carried out are a guarantee for the arrival of all state assets to the Baitul Mal after they are obtained, and there will be no misuse of their use by some leaders of these assets. The executive must not interfere in managing the Baitul Mal assets.  

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3. Umar's Policy in Economics

Through good administrative governance and managerial systems from various matters of Umar's economic law policies as mentioned above, the minimum that can be stated in the following article is that there are at least 3 (three) systems of basic principles of the economic system that lead to economic development and the level of economic development. The economic welfare of the community during Umar's leadership greatly influenced its development, namely as follows:

a. Production Principle

According to M. Abdul Mannan, the fundamental principle that must always be considered in an Islamic economic system is the production process because it involves the principle of economic welfare. According to him, the concept of Islamic economic welfare consists of increasing income caused by increased production of only useful goods through the maximum utilization of resources, both human and material, as well as through the participation of the maximum number of people in the production process.

In the Islamic economic system, the word production is one of the most important keywords because, from the concept and idea of production, it is emphasized that the main goal to be achieved by economic activity theorized by the Islamic economic system is for the benefit of the individual and the benefit of society in a balanced way. To ensure the realization of these benefits, the Islamic economic system provides several theoretical foundations, namely, Economic Justice, Social Security, and efficient use of productive economic resources. Production is a tiered work that requires serious human effort, great sacrifice, and concentrated strength in a certain environment to realize material and spiritual efficiency.

The understanding of production in Islam, according to Abdullah Abdul Husain at-Turaiqy, has the meaning as a form of hard work in developing permissible source factors and multiplying income with the aim of community welfare, sustaining existence, and human dignity. In the sense of economists in general, it is said that what humans can do is only to make goods useful, called produced. Thus, every form of economic

activity that brings benefits or adds to it is considered a production activity.\(^{30}\)

Jaribah bin Ahmad al-Haritsi’s research reveals that Umar's economic fiqh does not explicitly use the term "production." However, this does not imply the absence of substance and meaning. In the Islamic economic system, there are no restrictions or errors in understanding the concept of production. Islamic economics recognizes all forms of production and does not exclude any economic activity. Umar's economic jurisprudence supports this, as numerous narrations emphasize the importance of Muslim individuals engaging in productive activities to enhance their resources and assets for personal or communal benefit.\(^{31}\)

Among other examples of narrations contained in Umar's economic fiqh in this case, for example, Usman bin Abdul 'Ash said to Umar, O Amirul believer, indeed in our area, there is land that is not owned by anyone, so assign/decide him to me for me to manage, so that he brings benefits to my family and to the Muslims. So, Umar assigned the land to him. This example of ijtihad shows the close relationship between production activities and the benefits contained in them. Even the urgency of production activities can be seen from the side of benefits. Therefore, Usman argued with the urgency of the activities they talked about and the benefits that emerged from it, and Umar accepted the opinion and set it. Likewise, one of Umar's assistant governors in Yemen wanted to go to jihad (join the war), so Umar returned him to his work and said to him, "Come back because working (trading) properly is a good jihad." This example also includes activities that produce goods and services. So government activities are considered by Umar as useful production activities, even as a form of jihad fi-sabilillah.\(^{32}\)

In fact, the practical impact of the broad scope of meaning of production that characterizes Islam is Islam's concern for all economic activities and does not neglect any of them on the grounds of considering them as empty activities as in conventional economic views. Therefore, the true meaning of benefits related to production activities in Islamic


\(^{31}\) Haritsi, *Fikih Ekonomi Umar Bin Khathab*.

economics is different from the meaning of benefits in conventional economics. This difference, according to Abdullah Abdul Husein at-Turaiqy, appears in the characteristics of benefits in Islamic economics with several things, the most important of which are: justified by the Sharia, where Islam requires the benefits generated and economic activities must be allowed in Sharia, halalan thayyiban, and must not contain elements of harm to others. In addition, Umar also pays great attention to the quality principle in terms of production because the basic principle is that a Muslim must always strive to emphasize the quality of all his work and improve all his products (Qur'an 67: 2). That's why Umar, for example, on every occasion always calls for improving the manufacture of food, while he says "make good bread dough, because that's one way to develop it." That is, knead the dough and refine it because, in this way, it adds to the expansion of the bread with the water it contains.

Furthermore, Umar also requires production for the realization of goals and pays attention to it according to its urgency in realizing the goals of Sharia so that he gives priority to the production of primary needs before secondary needs. And secondary needs before tertiary needs. But that does not mean ignoring the business benefits and the amount of costs that producers have to bear to set it up. This is because profit, development of a property, and safeguarding it are the basic goals of Muslim producers.

b. Consumption Principle

The term consumption generally revolves around the use or utilization of the results of production in the form of goods and services to meet human needs. This understanding has relevance according to Islamic economics, but the similarity of understanding does not mean the similarity in everything that includes it because goods and services as objects of use in meeting the needs of a Muslim and his desires must be halalan thayyiban, halal and good. As the needs and desires must also be

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33 At-Tariqi, 40.
34 Haritsi, Fikih Ekonomi Umar Bin Khathab, 79.
really in accordance with the Sharia. Likewise, the goals of Muslim consumers should be different from those of non-Muslim consumers.

According to Al-Harali, a great scholar (w.1232 AD) as quoted by M. Quraish Shihab, the opinion that the type of food and drink can affect the soul and mental characteristics of the eater. Therefore, if someone consumes things that are forbidden, it can lead to bad morals or moral depravity.\textsuperscript{36} The teachings of Islam do not justify its people being materialistic and wasteful. In fact, in Islamic economics, morally, it tries to limit humans from fulfilling their consumption needs. In addition, as already mentioned, the goods consumed must always be in the framework of being lawful and good. Neglecting consumption means neglecting life and also neglecting the enforcement of man's duties in life.

According to Jaribah Ibn Ahmad al-Haritsi, there is much evidence that Umar considered the urgency of consumption and its necessity in life. For example, among others; that Umar is very enthusiastic in meeting a decent level of consumption for each individual of his people, as well as his efforts in economic development focused on fighting poverty and meeting basic needs for the community. According to Umar, that a Muslim is responsible for meeting a decent level of consumption for his family and those who ignore this are among the disbelievers. Umar further said, "Be modest in your food, for verily simplicity is closer to improvement, further from waste, and more strengthening in worshiping Allah SWT. If you eat good food, it will strengthen you to the truth, and a person will not perish, unless he prioritizes his passions over his religion.\textsuperscript{37}

c. Distribution Principle

Distribution is the distribution of the results of production, or the results of the population to individuals, or the distribution of the results of the national wealth to each citizen (society), or the distribution of population income to each person from various factors of production.\textsuperscript{38} In the Islamic economic system, the principle of distribution as it is known includes the regulation of ownership of the elements of production and

\textsuperscript{36} Shihab., Wawasan Al-Qur'an, 200.

\textsuperscript{37} Haritsi, Fikih Ekonomi Umar Bin Khathab, 136–39.

\textsuperscript{38} Thahir Abdul Muhsin Sulaiman, Menanggulangi Krisis Ekonomi Secara Islam (Bandung: PT. Al-Ma'arif, 1985), 297.
sources of wealth. Deviations from the distribution process from the right path are what make people suffer due to the poor distribution of economic resources, wealth and income, both at the regional and international community levels.

The distribution function clearly speeds up the arrival of goods in the hands of consumers (society) or the market when they are needed. That is the right principle in accordance with the aims and objectives of ethics which makes it easier to obtain goods when needed, therefore the principles of distribution of product to the public are intended to achieve, among other things; accuracy and speed of arrival in the hands of consumers, security that is maintained from damage, means of competition in speed and accuracy to meet the needs of the community.\textsuperscript{39}

The distribution objectives themselves, among others; to meet the needs of groups in need and to liven up the principle of solidarity in Muslim society, to strengthen the bonds of love and affection between individuals and groups in society, and to eradicate the causes of hatred in society which will have an impact on the realization of community security and peace, as well as justice, in distribution. In addition, for the development of property and its cleaning, because people who donate will encourage them to invest their wealth so that it will not run out because of zakat, empowering unemployed human resources by fulfilling their needs regarding property, or other preparations to carry it out by carrying out economic activities, and contribute to the realization of economic prosperity, where the level of economic welfare is related to the level of consumption. While the level of consumption is not only related to the form of income, but also relates to the way it is distributed among individuals in society. And the best use of economic resources, for example when some of the wealth of the rich is given to the benefit of the people who are in dire need (the poor), then the total benefit for the income of the community increases.\textsuperscript{40}

C. CONCLUSION

Umar Ibn Al-Khattab's leadership during his more than ten years


\textsuperscript{40} Haritsi, \textit{Fikih Ekonomi Umar Bin Khathab}, 219.
of reign was characterized by remarkable achievements in both military conquest and economic development. His strong character, wisdom, and knowledge allowed him to implement effective reforms in the economic system. Umar's policies focused on regulating state revenues and expenditures, ensuring strict supervision, and promoting fairness in the distribution of wealth.

Umar's economic principles stressed the importance of production, consumption, and distribution in accordance with Islamic principles. He encouraged Muslims to engage in productive activities, utilize resources efficiently, and improve their own assets. Consumption was guided by halal practices, ensuring that products and services met ethical and religious standards. In terms of distribution, Umar emphasized the need for fairness and wisdom in the allocation of resources, foreign exchange earnings, and state assets to benefit every citizen. Umar bin Khattab had great concern for the economic welfare of his people. He understands the importance of efficient production, responsible consumption and fair distribution in achieving balanced economic prosperity. His leadership in both military and economic affairs set an inspiring example for future generations, showing the potential for the development of economic policies within an Islamic framework.

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