

Islamic Political Law in Economic Warfare: Indonesian Economic Policy in the Global Economic Struggle

Yayan Muhammad Royani,[✉] Nazar Nurdin

UIN Sunan Gunung Djati Bandung, UIN Walisongo Semarang

yayanmroyani@uinsgd.ac.id,[✉] nazar@walisongo.ac.id

Abstract

The era of globalization has shifted the form of military warfare to hybrid warfare involving economic warfare. The contribution of Islamic political law thinking is needed for Indonesia in addressing these issues. This paper is prepared using a qualitative-descriptive method. Data collection is done using desk research and annotated bibliography methods. Three approaches are utilized: textual-contextual, Islamic legal sociology, and comparative. The research results explain that Islamic Political Law is an instrument of political policy for Islamic countries in governance, including in both wartime and peacetime situations. For the Indonesian context, Islamic political law adapts to the development of the nation-state, where Indonesia is considered a state based on agreements or peace, positioning it similarly to Islamic countries. Therefore, Islamic political law thinking is currently needed in building civilization in the era of globalization, especially in dealing with new-style colonization or neo-colonialism. Islamic political law can contribute to the formulation of Indonesian economic policies in facing global economic warfare. The concept of "Indonesian Economic" refers to the result of *ijtihad* in Islamic political law in the economic field. Thus, a mechanism of synergy is needed for the values embedded in the Pancasila economic system and the Sharia economic system. The five basic principles of Islamic economic values, when synergized with the basic values of Pancasila, are applied in Indonesia, considering social, cultural, political, geographical, and all other aspects.

Keywords: *Islamic Political Law; Warfare; Economy*

Abstrak

Era globalisasi telah menggeser bentuk peperangan militer menjadi peperangan hybrid yang melibatkan peperangan ekonomi. Kontribusi pemikiran politik hukum Islam sangat diperlukan bagi Indonesia dalam mengatasi permasalahan tersebut. Penelitian ini disusun dengan menggunakan metode deskriptif kualitatif. Pengumpulan data dilakukan dengan menggunakan studi pustaka dan metode bibliografi beranotasi. Ada tiga pendekatan yang digunakan: tekstual-kontekstual, sosiologi hukum Islam, dan komparatif. Hasil penelitian menjelaskan bahwa Hukum Politik Islam merupakan instrumen kebijakan politik negara-negara Islam dalam penyelenggaraan pemerintahan, termasuk dalam situasi perang dan masa damai. Untuk konteks Indonesia, hukum politik Islam menyesuaikan dengan perkembangan negara-bangsa, dimana Indonesia dianggap sebagai negara yang berdasarkan perjanjian atau perdamaian, sehingga memosisikannya serupa dengan negara-negara Islam. Oleh karena itu, pemikiran hukum politik Islam saat ini sangat diperlukan dalam membangun peradaban di era globalisasi, khususnya dalam menghadapi penjajahan gaya baru atau neokolonialisme. Hukum politik Islam dapat berkontribusi dalam perumusan kebijakan ekonomi Indonesia dalam menghadapi perang ekonomi global. Konsep "Perekonomian Indonesia" mengacu pada hasil *ijtihad* hukum politik Islam di bidang perekonomian. Oleh karena itu, diperlukan mekanisme sinergi terhadap nilai-nilai yang tertanam dalam sistem ekonomi Pancasila dan sistem ekonomi syariah. Lima prinsip dasar nilai-nilai ekonomi Islam, jika disinergikan dengan nilai-nilai dasar Pancasila, diterapkan di Indonesia dengan mempertimbangkan aspek sosial, budaya, politik, geografis, dan segala aspek lainnya.

Kata kunci: *Hukum Politik Islam; Perang; Ekonomi*

Received: 2024-07-02

Accepted: 2024-12-30

Published: 2024-12-31

Introduction

Islamic Political Law is the study of the intricacies of state affairs through legal instruments, regulations, and policies created by those in power to achieve the well-being of the community.¹ In the context of Indonesian identity, Islamic Political Law becomes crucial in understanding the development of the Nusantara civilization. Islamic Political Law, in this context, does not focus on the formalities of applying Islamic values but emphasizes the essential substance of well-being. The approach taken does not follow outdated models like the caliphate system; instead, it aims to implement Islamic legal values in the political structure of a nation-state.²

The field of Islamic Political Law encompasses various aspects, including fiqh dusturi, which deals with statehood, forms of governance, and issues related to allegiance, waliyul ahdi, representation, ahlul halli wal aqdi, wizarah, and more. Fiqh mali covers topics such as baitul mal, state treasury sources, taxation, and others. Fiqh duali 'am focuses on the relationship between a state and individuals within international law, while fiqh duali khas delves into civil law and judicial procedures in Islam.³

One aspect of fiqh study includes the consideration of war for the preservation of territorial sovereignty. The term "war" is often synonymous with the call for jihad. Through Ijtihad, where Indonesia is seen as a form of sulhu state, the country has an obligation to safeguard its sovereignty. In contemporary times, warfare goes beyond military conflicts, extending into various forms and patterns, posing significant challenges for nations in preserving their sovereignty.

The primary challenge for Islamic political law today lies in contributing to policies addressing global challenges for Indonesia, with the most crucial

¹ Saifuddin, "Fiqh Siyasah: Antara Das Sollen and Das Sein," *In Right: Jurnal Agama dan Hak Azazi Manusia*, Vol. 10, No. 1 (2021): 1–35, <https://doi.org/10.14421/inright.v10i1.2504>.

² Choirur Rois and Farhan Masrury, "Fiqh Al-Haḍarah Perspektif Geopolitik: Gagasan Diplomasi Perdamaian NU melalui Rekontekstualisasi Fiqih Siyasah," *An-Nida'*, Vol. 47, No. 1 (2023): 60, <https://doi.org/10.24014/an-nida.v47i1.25330>.

³ L. Amin Widodo, *Fiqh Siasah Dalam Hubungan Internasional*, 1st ed. (Yogyakarta: Tiara Wacana, 1994).

issue being economic policies. Economic crises in Indonesia are influenced by global geo-economic factors, as highlighted by Basuk Agus Suparno, who suggests that the 1998 economic crisis in Indonesia became an opportunity for capitalist and liberal forces to intervene and open avenues for their interests.⁴

The economic battle, manifested in various forms of economic conflict between two or more nations, has roots in the long history of world wars. The modern evolution of inter-country conflicts is seen in hybrid warfare, where politics and economics become decisive factors.⁵ Economic warfare, such as trade wars, arises from economic tensions between previously cooperating nations, disrupting trade relations. An example of this is the trade war between China and the United States.⁶

The tensions between major nations can be traced back to historical conflicts of global economic ideologies: capitalism, mercantilism, and Marxism. Each of these economic-political ideologies provides its explanations regarding specific economic policy choices made by governments, especially in the face of global economic competition.⁷

As a predominantly Muslim country, Indonesia adheres to Islamic teachings, with its independent economic system known as Sharia economics. In the context of economic law, this is known as fiqh muamalah. When Islamic economic law is applied with a formalistic approach, it becomes exclusive in a pluralistic nation like Indonesia. A comprehensive approach is needed to contribute Islamic economic and political thought that accommodates values prevalent in society and the core values of Pancasila, the foundation of the state.

In the context of economic-politics, Gus Dur rejects the ideological, formalistic, and politicized implications of Islam as Sharia law. According to Gus

⁴ Basuki Agus Suparno and Arif Wibawa, "Hegemoni Kapitalisme dalam Transisi Demokrasi di Indonesia Analisis Wacana Kritis," *Jurnal Ilmu Komunikasi*, Vol. 12, No. 3 (2014): 215–30, <https://doi.org/10.31315/jik.v12i3.1431>.

⁵ Aris Sarjito, "Peran Intelijen Melalui Perumusan Kebijakan Pertahanan Negara Dalam Perang Hibrida," *Pandita: Interdisciplinary Journal of Public Affairs*, Vol. 7, No. 1 (2024): 74–88, <https://doi.org/10.61332/ijpa.v7i1.152>.

⁶ Sarjito.

⁷ Elmon Tampubolon, Suria Alamsyah Putra, and Hendrik Pantas, *Ekonomi Politik (Dalam Perspektif Manajemen)*, ed. Santoso and Elly Rahayu, 1st ed. (Banyumas: CV. Pena Persada, 2022).

Dur, the focus of Islamic economic studies tends to revolve around issues like interest rates, insurance, and similar matters. He argues that Islamic economic principles become a partial approach that uses Islam merely as a label or symbol, whereas the substance is more crucial.⁸

Sugeng Riyadi and Dewi Laela Hilyatin argue that capitalist and socialist economic systems, prioritizing individual and collective interests, respectively, fail to provide solutions to societal issues. They suggest that Islamic economics, as a solution applied in Indonesia, emphasizes a people-oriented economic system based on Pancasila values. There are seven principles that synergize Islamic and social economics, and their implementation, considering the Indonesian context and Maqashid Sharia, can lead to societal well-being. Islamic economic development should not only focus on financial institutions but also on the real sector.⁹

Based on the above discussions, Islamic Political Law is needed to reformulate Sharia economics, accommodating local values while becoming a weapon in the global economic arena. The distinctive features of the Indonesian economic system gain momentum in the global battle that promotes capitalist, Marxist, or mercantilist ideologies. This research aims to answer questions about the concept of Islamic Political Law in times of war and peace, the role of Islamic Political Law in the Indonesian context, and the challenges of global economic warfare.

Research Methods

This paper is prepared using a qualitative-descriptive method. Data collection involves desk research and annotated bibliography methods. Primary data is obtained from various civilization fiqh conferences and relevant literature, while secondary data is collected from reference sources related to the research topic. The paper uses three approaches: textual-contextual

⁸ Abdurrahman Wahid, *Islamku Islam Anda Islam Kita Agama Masyarakat Negara Demokrasi* (Jakarta: The Wahid Institute, 2006).

⁹ Sugeng Riyadi and Dewi Laela Hilyatin, "Transformasi Ekonomi Islam dalam Sistem Ekonomi Kerakyatan," *Al Mustashfa: Jurnal Penelitian Hukum Ekonomi Syariah*, Vol. 6, No. 1 (2021): 43–56, <https://doi.org/10.24235/jm.v6i1.8100>.

approach for analyzing data derived from political fiqh terms,¹⁰ sociological approach to highlight the perspective of fiqh al-haḍarah in the dimension of Islamic Political Law, and a comparative approach to analyzing Pancasila and Islamic economics.¹¹

Result and Discussion

Islamic Political Law in Times of War and Peace

Legal experts, scholars, and Muslim historians have presented two theories regarding the relationship between Islamic states and non-Islamic states: war-oriented theory and peace-oriented theory. The first theory, jihad or holy war, is considered the only acceptable form of relationship between Muslims and non-Muslims. Consequently, the world is divided into two: the House of Islam (*dar al-Islam*) and the House of War (*dar al-harb*) (Jindan, 1995).¹²

Islamic jurists (*fuqaha*) divide the world into two parts: *dar al-Islam* and *dar al-harb*, translated into Indonesian as "land of peace" and "land of war," respectively. First, *dar al-Islam* includes all countries where Islamic laws are apparent or where Muslim inhabitants can establish Islamic laws. So, *dar al-Islam* encompasses countries where all or the majority of the population consists of Muslims, as well as countries ruled and governed by Muslims, even if some of the population is not Muslim. It also includes countries ruled and governed by non-Muslims as long as Muslims within can establish Islamic laws.¹³

According to the theory of Islamic law, if Islamic law applies in an area, that area is *dar al-Islam*; otherwise, it is *dar al-harb*. This principle was supported by eminent Muslim scholars in the 19th century, who made legal decisions

¹⁰ Laode Ismail Ahmad and Syamsidar, "Rekonstruksi Teks-Teks Hukum Qath'i dan Teks-Teks Hukum Zhanni (Meretas Jalan Menuju Pendekatan Tekstual-Kontekstual)," *Asy-Syir'ah: Jurnal Ilmu Syari'ah dan Hukum*, Vol. 49, No. 2 (2015): 230–50, <https://doi.org/10.14421/ajish.v49i2.140>.

¹¹ Maulana Ira, "Urgensi Pendekatan Sosiologis dalam Studi Islam," *Journal of Legal and Cultural Analytics*, Vol. 1, No. 2 (2022): 89–98, <https://doi.org/10.55927/jlca.v1i2.916>.

¹² Khalid Ibrahim Jindan, *Teori Politik Islam: Telaah Kritis Ibnu Taimiyah tentang Pemerintahan Islam* (Surabaya: Risalah Gusti, 1999).

¹³ Muhammad Hasbi Tengku Ash-Shiddieqy, *Hukum Antar Golongan dalam Fiqih Islam* (Jakarta: Bulan Bintang, 1971).

about the Indian subcontinent. Despite British rule in India, jurists argued that it should be considered dar al-Islam because Muslims could freely practice Islamic law. In this context, Indonesia is also referred to as an Islamic state because it was once wholly ruled by Muslims, even though it was temporarily colonized by non-Muslim colonizers. However, Muslims in Indonesia could practice their religious laws.

Some jurists go beyond dividing the world into two categories and add a third, known as dar al-'ahd or dar al-shulh. Dar al-'ahd or dar al-shulh refers to regions or countries not subjected to Islamic authority but having a peaceful agreement respected by them and dar al-Islam. They maintain full control over their territories. Indonesia is a country with such an agreement, defining territorial sovereignty. Especially in the contemporary context, most countries in the world are nation-states.¹⁴

Based on the theories above, relying on the concept of international political fiqh in the context of Islamic statehood, an academic study encompassing the power and order of society from an Islamic perspective, including law, doctrine, tradition, history, and intellectual thought, there is also the aspect of Islamic statehood concerning war to safeguard territorial sovereignty. The term war is often equated with the call for jihad.¹⁵

When war extends beyond the military domain, the sovereignty to be preserved extends to all aspects. Contemporary warfare takes on a hybrid form, prominently in the economic domain. A new form of colonization aims to subdue a nation's sovereignty based on economic interests. Following the theories mentioned above, Indonesia must have Islamic political legal policies in the economic domain to contribute to the global economic war.

Islamic Political Law in the Concept of Indonesian and Global Perspectives

According to KH. Afifuddin Muhajir, one of the principles of political fiqh as part of al-Muamalah fiqh is built on the basis of 'illat-illat (legal reasons) and

¹⁴ M. Ali Haidar, *Nahdatul Ulama dan Islam di Indonesia: Pendekatan Fikih dalam Politik* (Jakarta: Gramedia Pustaka Utama, 1994).

¹⁵ Afifuddin Muhajir, *Fiqh Tata Negara: Upaya Mendialogkan Sistem Ketatanegaraan Islam*, ed. Afifur Rochman Sya'roni, 1st ed. (Yogyakarta: IRCiSoD, 2017).

maslahah (benefits). His perspective on muamalah issues emphasizes flexibility, where there is evidence prohibiting certain actions, as its principles are loose. Thus, the validity of politics is not only guided by the availability of textual evidence (evidence from the Qur'an and hadith) but also considers the absence of Sharia legal rules in political fiqh.¹⁶

Nahdlatul Ulama recognizes the need for recontextualization of political fiqh through the International Civilization Fiqh Conference. The recommendations include: The concept of a caliph aiming to unite the ummah is not a suitable aspiration, Establishing a caliphate today may contradict *maqashid* Sharia, leading to conflicts, *Ukhuwah basyariyyah* as the foundation for the well-being of the Islamic ummah and all humanity, The UN Charter as a basis for developing new fiqh for world peace and developing fiqh that prevents identity exploitation, rejects hatred, supports solidarity, and appreciates differences.

The recontextualization of political fiqh in NU is crucial due to sociological factors (changes in the world order post-World War II) and philosophical factors (fiqh as a dynamic discipline in line with social contexts). PBNU, through *fiqh al-hadarah*, strives to reinterpret political fiqh to remain relevant to the changing realities of the world without losing its substance.¹⁷ This aligns with the perspective of KH. Sahal Mahfudz, who sees fiqh not only as a text to answer questions but also as a tool contextualized to address social issues. This recontextualization promotes the spirit of *al-muhafadzatu bi qadimi al-shaleh wal akhdzu bi jadidil aslah*.

Islamic Political Law and the Economic Development of Indonesia

Contemporary *Fiqh Siyasah* does not necessitate formalities in the concept of a nation-state, including economic matters. The presence of the Islamic economic system in Indonesia is expected to contribute to the development of the Indonesian economy. Instead of co-opting existing

¹⁶ Muhajir.

¹⁷ Reza Fauzi Nazar and Mohammad Fahmi Abdul Hamid, "Tracking the Genealogical Reasoning Reconstruction of Nahdlatul Ulama (NU) Fiqh: From 'Social Fiqh' to 'Civilization Fiqh,'" *Tashwirul Afkar*, Vol. 41, No. 2 (2022): 137–62, <https://doi.org/10.51716/ta.v41i2.74>.

economic systems that have proven successful in the nation's past, it aims to implement Pancasila values in the economic system. The manifestation of the Indonesian economy is the implementation of Pancasila values in the economic system.

The concept of the Pancasila Economic System began to be developed more seriously since the National Seminar at Gadjah Mada University in 1980. Undoubtedly, the heated debates about Indonesia's economic system around 1980-81 revolved around Mubyarto's idea of the Pancasila Economic System (SEP). The term SEP was initially introduced by Emil Salim in an article in the Kompas newspaper on June 30, 1966. The book "Building an Economic System" by the professor at FE UGM reaffirms Mubyarto's consistency in introducing and popularizing an economic system suitable for Indonesia.¹⁸

Fundamentally, these scholars interpret SEP as an economic system oriented toward Pancasila's principles. The comparison of the ideas of these three figures shows their efforts to elaborate on Pancasila's ideology in the economic and business realms. This aligns with the view that Pancasila is an open ideology, meaning its basic values remain constant, but its interpretation can be creatively and dynamically developed according to the dynamics of Indonesian society's development.¹⁹

The relevance of the Pancasila economic platform serves as a means to recognize the operation of neo-liberal capitalist economic principles in Indonesia. Pancasila economics consists of moral principles derived from Pancasila's ethics and philosophy. It not only contains visionary aspirations for achieving social justice but also addresses the socio-cultural and economic realities of the Indonesian people, serving as a historical guide to avoid falling into liberal and capitalist ideologies.

¹⁸ Rustandi and RR Amanna Dzikrillah Lazuardini LAH, "Implikasi Hukum Bisnis terhadap Praktik Etika Bisnis di Indonesia," *JBK-Jurnal Bisnis dan Kewirausahaan*, Vol. 19, No. 2 (2023): 1–10, <https://doi.org/10.31940/jbk.v19i2.163-172>.

¹⁹ Mohamad Apriyanto Mue, "Implikasi Hukum Bisnis terhadap Praktik Etika Bisnis di Indonesia," *Deposisi: Jurnal Publikasi Ilmu Hukum*, Vol. 2, No. 1 (2024): 129–42, <https://doi.org/10.59581/deposisi.v2i1.2254>.

Based on the explanations above, Islamic economics can contribute to the Pancasila economic system by promoting a people's economy strategy. A people's economy is a system conducted by the people, for the people, entirely directed toward the people's interests. In practice, the people's economy has been implemented by the people before the term "people's economy" was coined.

Looking at history, the people's economy existed before independence, as reflected in Moh. Hatta's thoughts. Hatta's idea about the decline of the native economy due to non-native control (colonizers) led to the alternative of developing the people's economy through cooperatives.²⁰ The people's economy is often considered a normative concept, oriented toward Pancasila values. The overall goal of the people's economic system is social justice or a just and prosperous society. The nature of the people's economy is moralistic, democratic, and independent.²¹

Discussing economic development cannot be separated from human values and people's economics. People's economics is a humanistic economy based on achieving the widespread welfare of the people. Economic development must also be based on humanity and avoid free competition and the oppression of one human by another. Therefore, economic development must be based on the moral values of Pancasila.²²

As the foundation of the economic system, the people's economy has its strengths and weaknesses. The strengths include protecting the people from unhealthy competition, improving the people's welfare, reducing the gap between the rich and the poor, and creating synergistic relationships between large capital owners and the community as working partners. Additionally, as explained in the characteristics of the people's economy, its mobility is an

²⁰ Moh. Musfiq Arifqi, "Konsep Ekonomi Kerakyatan Sebagai Pengembangan Koperasi Syariah di Indonesia (Telaah Pemikiran Muhammad Hatta)," *Balanca: Jurnal Ekonomi dan Bisnis Islam*, Vol. 2, No. 02 (2021): 57–73, <https://doi.org/10.35905/balanca.v2i02.1554>.

²¹ Irwanda Wisnu Wardhana et al., "Urgensi dan Strategi Pengarusutamaan Ekonomi Pancasila dalam Pembangunan Ekonomi Nasional," *Pancasila: Jurnal Keindonesiaan*, Vol. 4, No. 1 (2024): 1–10, <https://doi.org/10.52738/pjk.v4ix.520>.

²² Bagus Hariyadi, "Pancasila dalam Berbagai Paradigma di Indonesia", Vol. 4, No. 1 (2024): 6–11, <https://doi.org/10.31315/jpbn.v4i1.5682>.

advantage as it can quickly and innovatively respond to change. The weakness of this system is that it is less attractive to large capital owners because they have to proportionally share their profits with the community.²³

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Operationally, a synergy of Islamic Economics and the People's Economy is needed, leading to the creation of a System and Institutional Transformation. Synergy here does not mean cooperation in the sense of working independently without functional and structural relationships. Instead, it involves building an efficient and effective working system due to the functional relationships between subsystems. This aligns with the saying: *Al-Ittihad yujad al-quwwah* (synergy brings strength). The essence of synergy is to utilize differences rather than tolerate or oppose them.

As for transformation, it refers to a change in form, appearance, by adding or reducing elements in a system (meaning of transformation in the Big Indonesian Dictionary (KBBI)).²⁴ Considering the meanings of synergy and transformation, as well as the study of Islamic and people's economics, this discussion will be divided into two studies: First, the Synergy of Islamic Economics and the People's Economy as a form of system transformation. Second, the Synergy of Islamic Economics and the People's Economy as a form of Institutional Transformation.²⁵

Development of Global Economic Warfare

War, fundamentally, is an element of a specific politics, representing one of the ways to achieve predetermined political goals. According to H. J. Shatz (2016), war is a political as well as an economic phenomenon, indicating a close interconnection between the two. The relationship between economics and war

²³ Hariyadi.

²⁴ Badan Pengembangan dan Pembinaan Bahasa (Pusat Bahasa), "Kamus Besar Bahasa Indonesia" (Badan Pengembangan dan Pembinaan Bahasa (Pusat Bahasa), 2023), <https://kbbi.web.id/>.

²⁵ Riyadi and Hilyatin, "Transformasi Ekonomi Islam dalam Sistem Ekonomi Kerakyatan."

is dynamic, constantly subject to the developments of internal and external conditions.²⁶

With the decline of bipolarity, the potential for war has diminished. This situation has paved the way for the development of the globalization process. Globalization has caused tension in individual markets, followed by an increase in state interventions. Alongside the loss of the peace dividend after 2000 and the attack on the World Trade Center in September 2001, trade wars emerged as a means to resolve accumulated issues.

The concept of "economic war" is not a new idea. Mercantilists were already familiar with this term in the 16th century. This concept is considered a more serious form of international economic competition among nations. However, the challenge with the definition of economic war lies in the lack of distinction between economic war and ordinary economic competition. Economic war measures applied by one country to weaken another have adverse economic effects on the initiating country. For instance, embargoes may harm the targeted country, but they are also costly operations for the country imposing them. It is a game with negative outcomes.

Several analyses of power policies have developed since World War II, providing insights into international economic relations from a strategic perspective. These analyses consider the game of international power balance comprehensively.²⁷ After World War II, the world entered the Cold War era, a period of political and military tension affecting various aspects in different countries. The Cold War occurred after the end of World War II and lasted for more than four decades. According to Payani in "The Korean War: The Longest Civil War to Date", the Cold War was an ideological war waged by two major world blocs, the Western Bloc and the Eastern Bloc.²⁸

²⁶ Daniel Stedman Jones, *U.S. International Economic Strategy in a Turbulent World, Masters of the Universe*, 1st ed. (Santa Monica: RAND Corporation, 2016), <https://doi.org/10.23943/princeton/9780691161013.003.0007>.

²⁷ Miroslav Krc and Vendula Hynkova, "Aspects of Economic Warfare - Causes and Consequences," *Challenges to National Defence in Contemporary Geopolitical Situation* 2022, No. 1 (2022): 322–30, <https://doi.org/10.47459/cndcgs.2022.40>.

²⁸ Krc and Hynkova.

According to Nurhadi, the paradigm of the world economic system consists of capitalist and socialist systems. The choice of an economic system by a country is based on mutual agreement, in accordance with its constitution, philosophy, and ideology in the economic system. The capitalist economic system relies on private ownership of the means of production, distribution, and exchange, with these three elements entirely in the hands of private entities. This system is oriented toward Jewish ideology. The socialist economic system involves the centralized regulation of economic activities by the government, adopting the ideology of Christianity. The communist economic system is one in which the government plays the role of regulator for all economic activities, centered on atheist ideology. The Pancasila economic system is a democratic economic system originating from the ideology of Pancasila. The Islamic economic system is based on the ideology of Tawhid (Islamic creed), Nubuwwah (prophethood) of Muhammad (the duty of prophethood and messenger), Khilafah (leadership), and Ma'ad (afterlife).²⁹

Economic Political Policy of Indonesian Identity in the Global Economic Arena

In line with the sweeping wave of globalization, the market system has infiltrated the economic life of many countries worldwide, including those initially opposed to the free market system, such as countries adhering to communist ideologies, ultimately openly adopting the system they once criticized. The free-market system, fundamentally, is a derivative of Western liberalism and capitalism, signifying unrestricted international trade without interference from any party.

Currently, Indonesia is facing a global economic competition that requires a serious response. As a religion of compassion, Islam has the potential to provide valuable insights. In formulating policies to win the global economic competition, the guiding doctrine is Islamic political law, especially concerning the state's policies in times of war or peace.

²⁹ Nur Hadi, "Paradigma Idiologi Sistem Ekonomi Dunia," *Al-Fikra: Jurnal Ilmiah Keislaman*, Vol. 17, No. 1 (2018): 97–129, <https://doi.org/10.24014/af.v17i1.4769>.

Indonesia is not an Islamic state, so the reformulation of *fiqh siyasah* in the context of Indonesian identity is necessary. Based on the theory of the state, Indonesia can be categorized as a treaty-bound state, where Islamic law is implemented according to religious freedom, the foundation of the constitution. This model places Indonesia in the category of an Islamic state, making territorial protection essential, particularly in the context of warfare, which has transformed from military conflict to hybrid warfare involving economic battles.

According to *fiqh siyasah*, a state facing security threats from external forces is obligated to defend itself, which, in this case, involves *jihad*. However, defense is no longer limited to military attacks or direct colonization but also extends to new forms, such as economic warfare. *Jihad* in the economic realm requires strategies to enhance economic resilience for victory in this battle.

Indonesia, as a unitary state, adheres to Pancasila as the state foundation, serving as a unifying force. On the other hand, Islam has an Islamic economic system based on Islamic economic laws. Therefore, *fiqh siyasah* policies are needed to formulate an Indonesian economy resulting from the accommodation of various values, including Islamic economic laws. In formulating this, a comparison, synchronization, and integration between Pancasila and Islamic economics are crucial, forming the foundation of the Indonesian economy as the basis for economic *jihad* for Muslims.

According to Sugeng Riyadi and Dewi Laela Hilyatin, there are seven principles of synergy between Islamic and social economics. If these principles are applied, considering the Indonesian context and Sharia *maqashid*, Islam becomes not just a label but a robust guide to achieving community welfare. The development of Islamic economics does not solely focus on financial institutions but also on the real sector.³⁰

In synergizing Islamic economics and the People's Economy, understanding their fundamental principles is essential. The basic principles of Islamic economics involve oneness, justice, balance, freedom, and responsibility. Meanwhile, the principles of the People's Economy, aligned with Pancasila

³⁰ Riyadi and Hilyatin, "Transformasi Ekonomi Islam dalam Sistem Ekonomi Kerakyatan."

values, encompass divinity, humanity, unity/family, consultation, and social justice. When combined, they result in oneness (divinity), justice (social justice), humanity, freedom (consultation), unity (family), and responsibility.

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The fundamental principles of Islamic economic values synergized with the basic values of Pancasila can be applied in Indonesia, considering its social, cultural, political, and geographical conditions. Consequently, these values can be interpreted in a manner synonymous with Indonesian identity. The ultimate goal of this process is to achieve welfare (maslahah and falah) for all layers of society. The indicators of welfare realization are the indicators of Sharia maqashid.

The Indonesian economic policy, based on ijtihad from Islamic political law in Indonesia, is expected to be a formulation to win the global economic competition. In addition to playing a role nationally, it is hoped to influence global economic policies currently dominated by large countries frequently involved in conflicts. The Indonesian economy is expected to be an alternative key economic value for the success of developing countries in becoming advanced nations.

Conclusion

Global economic warfare is an inevitable reality that is currently capturing national attention. The fiqh instrument that can be employed regarding the state's policies in the context of war and peace is Islamic political law. In the context of Indonesia as a country not based on Islamic law, an explanation is needed to provide legal certainty in addressing the challenges of global economic warfare.

Islamic Political Law, in conditions of war and peace, has implications for Indonesia's position from the perspective of Islamic law. Jurists divide the concept of a state into Islamic states, infidel states, and states with treaties. Indonesia can be categorized as a state with a treaty, where Islamic law applies to its adherents, even though it is not the constitutional basis of the state.

Islamic Political Law in the Concept of Indonesianess is not rigid, but rather flexible, where its validity is not solely based on the availability of texts. The essence of the goal of Islamic political law is well-being, so politics is merely

a mediator. Well-being is defined as anything that does not contradict Islamic law. The elucidation of Islamic political law in Indonesia has been examined by Nahdlatul Ulama scholars, providing a contextual view for building civilization.

Islamic Political Law in the economic development of Indonesia requires synergy and mutual complementation. The main concept in Indonesian economics is Pancasila economics, based on values reflected in every aspect. People's economics, as a further elaboration of Pancasila economics, is where Islamic business law contributes with the relevance of values living within Islamic teachings and society. With this concept, Muslim communities can wholeheartedly implement Indonesian economic strategies in accordance with their religious teachings.

Indonesian economics is then wielded as a weapon in facing the global economic competition. Indonesian economic political policies include the determination of economic values adopted by Indonesia. In dealing with the ideological battle between the East and the West, Indonesia needs to formulate appropriate strategies. It turns out that the values of Islamic economic law and Pancasila economics can be synchronized, showing synergy, and mutually complementing each other. This concept is expected to lead Indonesia to victory in the context of global economic competition.

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