

Production Factors from the Perspectives of Islamic and Conventional Economic

Heriyati Chrisna, Doni Efrizah, Hernawaty

Lecturer at Social Science Faculty, Universitas Pembangunan Panca Budi, Medan, Indonesia, 20122

ABSTRACT

From the results of the review of literature and research, the production concept according to the mixed economic system (Pancasila economic system), which has been running for centuries, has endangered humans, especially in Indonesia itself. According to BPS data per 2019 April, the total population of Indonesia has reached 269 million people, and from that number, the number of poor people has reached 25.14 million people or around 9.41% of the population. The gap between rich and poor is very significant. This proves that the system that has been implemented has increasingly created social problems and not brought prosperity to society because as a system, the owners of capital in this system are individuals and compete in the free market so that the strong will be stronger, while those who poor will increasingly become poorer. It cannot be denied, this conventional economic system has indeed succeeded in creating a modern and wealthy society but that is only in a small part, there are still many people who still live on the poverty line because they are unable to compete with the investors. This paper tries to describe the fundamental difference between the production factors from the perspective of conventional economics and Islamic economics. The results of the literature study explain that the system of Islamic economics in Indonesia began to become a concern in the early 1990s or precisely after Law of the Republic of Indonesia Number 7 of 1992 that was revised with Law of the Republic of Indonesia Number 10 of 1998 on Banking, in the form of a bank operating with the profit-sharing system or bank shari'a. The Islamic economic system is expected to cover the shortcomings of the existing system. According to Islamic economics, production concept is to give mashlahah to producers and consumers, maximally. Islamic economic allow

people to obtain profit, with the condition, the way to gain the profit is under the concept of Islamic law in muamalah. The profit gained by the producer is profit plus blessings, wherein the blessing is the embodiment of all good things that benefit producers and consumers. The contribution of the Islamic perspective – the result of this literature study – can become input for producers, which they must follow the principles and values of Islam applied in muamalah when doing production to provide peace to humans in their life and the afterlife.

Keywords: Factor, Production, Islamic, Conventional

INTRODUCTION

The economic system in Indonesia currently called the Pancasila economy system, which is essentially still included in a mixed economic system in which the Indonesian people are the main actors in the economy. However, this Pancasila economic system has shortcomings, including 1). The existence of a *free fight liberalism* system that has the potential to foster the exploitation of humans and natural resources, 2). The existence of the *etatism* system, which is an understanding where the country and its economic apparatus are dominant, so that it can kill various potentials and various creations of economic units outside the country sector, 3). The existence of unfair competition, where the economic power is concentrated to one particular group in the form of monopoly and monopsony that is not under the idea of social justice, because it is detrimental to the wider community. This economic system, of course, almost looks like the concept of a capitalist economy,

where most of the industrialists or producers have the concept of wanting to gain as much profit as possible without thinking about the purchasing power of other human beings. The production concept carried by the capitalist system has made people in the poverty line increasingly oppressed with the increasing needs and low purchasing power due to the high prices of manufactured goods. This capitalist economic system assumes that humans are not something valuable if they cannot provide benefits for them. In a sense that the main goal of their productions is not to provide human needs, because they want to optimize their capital. Henceforth, the authors will refer to the economic concept adopted by Indonesia, currently, as a conventional economic concept.

According to the data from BPS per 2019 April, the total population of Indonesia has reached 269 million people, and from that number, the number of the poor has reached 25.14 million people, or around 9.41% of the total population. The gap between the rich and the poor is very significant. This proves that the system that has been applied has increasingly created social problems and not brought prosperity to the community because as a system, the capital owners of the system are individuals and are competing in the free market so that the strong will get stronger, while the poor will increasingly become poorer. It cannot be denied, this conventional economic system has indeed succeeded in creating a modern and wealthy society, but that is only in a small part, there are still many people who live on the poverty line because they are unable to compete with the investors.

This paper was found that the conventional economic system has failed in bringing people to a prosperous condition and even has brought some of them to the poverty conditions. Imam al-Sayyid al-Syahid Muhammad Baqir bin al-Sayyid Haidar Ibn Isma'il al-Sadr, or known as Muhammad Baqir as-Sadr, an Islamic economic thinker, has the view that the Islamic economic system is a doctrine, the

application of economic science in the daily practice of individuals and community groups to organizing the factors of production, distribution, utilization of goods and services produced, and obeying Islamic laws and regulations. Therefore, he concluded that economics is the science of the laws of production, while the doctrine of economics is the art of wealth distribution. Because every research concerning production, the development of production, the discovery of the means of production, and its improvement, all of these are matters discussed in economics. This paper's question is how are the production factors which appropriate with Islamic shari'a?

LITERATURE REVIEW

Conventional Economic System

There are 4 types of economic systems adopted by countries in the world, include:

- a. Traditional System
- b. Capitalist Economic System
- c. Socialist Economic System
- d. Mixed Economic system

The economic system used in Indonesia is known as the Pancasila economic system. This economic system can be categorized as a mixed economic system. The Mixed Economic System is a combination of a liberal economic system and a socialist economic system, which draws a middle line between freedom and control, which also means a middle line between the absolute/collective role of the country and the prominent role of the individual. The middle line is adjusted to the conditions in which the integration occurs so that the role of the situation and environment gives color to the blend/mixed system. In this system, the government and the private sector (community) interact with one another in solving economic problems to correct economic distortions. The recognition of the private ownership right in this mixed economic system does not make all vital/important factors of production also become private ownership because ownership of vital factors of production will

still be regulated and controlled by the government. Also, the government will provide social security and seek equal distribution of income. Regarding the pricing, although prices are determined by market mechanisms, the government also needs to conduct supervision and correction of these prices, if necessary. The economic activities of the community are left to the market forces, but to some extent, the government continues to control and intervene with the aim that the economy does not go out of control and not only benefiting the large capital owners.

As an economic system, the Pancasila economic system also has the following advantages and disadvantages:

Advantages:

- a. Economic activities are arranged and carried out based on the principle of kinship.
- b. All important and strategic production branches are managed by the country for the prosperity of its citizen.
- c. The earth, water, and all-natural wealth contained therein are controlled and managed by the country and it used as much as possible for the prosperity of its citizen.
- d. Every citizen is free to choose their occupation and deserve a decent job and life.
- e. All wealth and country's finances sources are used under agreement and supervision of the house of representatives (DPR), and the policies are monitored by the citizen.
- f. Individual property rights recognition, where the use is not contrary to community interests.
- g. All potentials and creations' effort of all citizens are developed within certain limits and do not harm the public interest.
- h. The poor and homeless children are protected by the country.

Disadvantages:

- a. The existence of the free *fight liberalism* system that has the potential

to foster the exploitation of humans and natural resources.

- b. The existence of the *etatisme* system, which is understood that the state and its economic apparatus are dominant so that it can kill various potentials and creations of economic units outside the state sector.
- c. The existence of unfair competition, where the economic power is concentrated to one particular group in the form of monopoly and monopsony that is not by the idea of social justice because it is detrimental to the wider community.

Production Concepts According to Conventional Economic Systems The Theory of Production

Production theory explains producers' behavior in maximizing the profits and optimizing the production efficiency. Production creates the benefits of an object. The production also creates and increases the usefulness of the goods (use-value). Production activities are a chain of consumption and distribution. Without production, the economic activities will stop, and contrariwise, to produce goods and services, production activities involve production factors.

In conventional economics, production theory is intended to provide an understanding of the companies' behavior in buying and using inputs for production and selling outputs or products. Production theory also explains the producers' behavior in maximizing profits and optimizing production efficiency. Maximizing profit or production efficiency cannot be separated from two things; include the structure of production costs and revenue obtained. Likewise, the capital that can be obtained from loans without compensation, with the interest system or with cooperation.

The Purposes of Production

In conventional economics, production theory is intended to provide an understanding of the companies' behavior in

buying and using inputs for production and selling outputs or products. In the conventional system, maximizing profit is the main goal.

The Factors of Production

There is no agreement on the classification of production factors, both among conventional and Islamic economists. The difference is due to the inequality of the definition, characteristics, and roles of each production factor in producing output.

Economic problems in production factors include two things, those are:

- a. How is the relationship between one production factor with the other production factors, including what is the more important and what the first factor plays a role in a production.
- b. How to determine prices, the price of the production factor itself, and the relationship between production factors with the price of production output.

Production is a process that transforms inputs into outputs. All types of inputs entered the production process to produce output are called production factors. Economics classifies the production factors into capital (including land, buildings, machinery, and inventory), materials (raw and supporting materials, everything the company buys to produce output including electricity, water, and raw materials for production), and humans (Labor). Inputs can be broken down into smaller groups. Humans as a production factor, for instance, it can be divided into skilled and unskilled humans. Entrepreneurship of the company owner and manager can also be classified into it. Entrepreneurship itself is intended as the ability to control business organizations, take risks to create business activities. Besides the factors above, management is also a separate production factor. (Mustafa et al, 2006)

Production Concept According to Islamic Economy

Production is an activity to process raw materials into finished goods. To process raw materials, of course, other factors such as capital, labor, and technology are needed. Al-Qur'an uses the concept of producing goods in a broader sense. Al-Qur'an emphasizes the benefits of goods produced. Producing goods must have a relationship with human needs. This means that goods must be produced to meet human needs, not to produce excessive luxury goods that are not by human needs, therefore the labor expended to produce these goods are considered unproductive. Production is a process that has been existed on this earth since humans inhabited the planet. Production is a principle of survival and the civilization of humans and earth.

The Theory of Production

Some Islamic economists describe the production as follows:

- a. According to Karf (1992), production activities in an Islamic perspective are human efforts to improve not only their material physical condition but also morality, to achieve the life purpose as outlined in Islam, the happiness in the world, and the hereafter.
- b. According to Rahman (1995), he emphasized the importance of fairness and equity in production (even distribution of production)
- c. According to Al Haq (1996), the production purpose to meet the goods and services needs is fardhu kifayah, which is the need for many people to be compulsory.

Production is an activity to process raw materials into finished goods. To process raw materials, of course, other factors such as capital, labor, and technology are needed. In Islam, the production process is added by one more factor, the "Blessing" factor. Regarding this concept of production, Allah has arranged it in the Al-Qur'an contained in several Surahs. In Surah Hud verse 37 "

وَاصْنَعِ الْفُلْكَ بِأَعْيُنِنَا وَوَحْيِنَا وَلَا تُخَاطِبْنِي فِي الَّذِينَ ظَلَمُوا ۗ إِنَّهُمْ مُّعْرَضُونَ

It means: "And construct the ship under Our observation and Our inspiration and do not address Me concerning those who have wronged; indeed, they are [to be] drowned." This Surah tells about Allah's command to Noah to make a ship, it means that there is a production process by utilizing natural resources, where the ship will be used by Noah and his followers to sail and to save themselves. The short-term goal of ship construction is to be able to sail the seas while the long-term goal is to save the prophet Noah and his followers from disaster. So, in the Islamic concept, production has a short-term goal, which is a world goal, while the long-term goal is the afterlife.

In Surah Al Hadid verse 25 "

لَقَدْ أَرْسَلْنَا رُسُلَنَا بِالْبَيِّنَاتِ وَأَنْزَلْنَا مَعَهُمُ الْكِتَابَ وَالْمِيزَانَ لِيَقُومَ النَّاسُ بِالْقِسْطِ وَأَنْزَلْنَا الْحَدِيدَ فِيهِ بَأْسٌ شَدِيدٌ وَمَنَافِعُ لِلنَّاسِ وَلِيَعْلَمَ اللَّهُ مَن يَنْصُرُهُ وَرُسُلَهُ بِالْغَيْبِ إِنَّ اللَّهَ قَوِيٌّ عَزِيزٌ

It means "We have already sent Our messengers with clear evidences and sent down with them the Scripture and the balance that the people may maintain [their affairs] in justice. And We sent down iron, wherein is great military might and benefits for the people, and so that Allah may make evident those who support Him and His messengers unseen. Indeed, Allah is Powerful and Exalted in Might." From this verse, there is a meaning that Allah created iron where iron is a raw material for making tools for war at that time and for the present, of course, the iron can be used as household furniture as well as agricultural tools, which of course all of that is needed by a human. In this surah, it is also mentioned about justice that must be done by humans whose meaning is that humans should live properly and fairly and follow what Allah has commanded, and avoiding what is forbidden by Allah.

The hadith discusses the theory of production, among others, is a hadith narrated by Ahmad, Bukhari, and Ibn Majah "One of you take a rope and went to the mountains to take firewood and then carried

it on his back and then sold it, and in this way, he can support his life. It is better than begs to others (for food or money), which sometimes give and sometimes not given". The meaning that can be taken from this verse is that humans are instructed to fight (for life) with his/her effort, with all the abilities they have to meet their needs and to not rely too much on others, or become beggars

According to the Prophet Muhammad, the production principles are to prosper the earth and all its contents, all scientific methods done must be based on the Al-Qur'an and the hadith, to avoiding harm and to maximizing benefits.

The Purposes of Production

Production in the Islamic perspective is not only oriented to gain as much profit as possible, although seeking profit is not prohibited. In Islamic economics, the main purpose of production is the balanced of individuals and society's benefit. Islam accepts the production motive as a motive in conventional economic systems, however, Islam adds moral values to the economic utility. In other words, besides production meant to get utility, also, to improve the physical condition – spiritual material – of human morality as the medium of life to achieve the life purpose as outlined in Islam, is the happiness of the afterlife. Halal production activities must be carried out in ways that do not cause harm in people's lives.

In terms of the production activities benefits in the Islamic economy, several requirements must be fulfilled; first, justified in Islamic shari'a, which is in line with the provisions stipulated in Al-Qur'an and hadith of the prophet, ijma', and qiyas; secondly, it does not contain any elements that can harm others; third, the extent of the scope of the benefits in the Islamic economy which includes benefits in the world and the hereafter. The Prophet Muhammad deeply appreciates his followers who always work and produce to meet their spiritual material needs. He urged Muslims to work diligently,

departing early in the morning to seek the gift of Allah to give and share favors with others, not to ask for help, and to be able to meet the needs of those he is responsible for.

Prophet also encouraged Muslims to always conduct production to obtain and produce something. If someone has a production land, but unable to do it, then it should be left to someone else to produce it, not to let the production land be left idle. From Jabir RA, the Prophet said "Whoever owns a piece of land, then he should plant it. If he cannot or unable to plant it, then it should be left to someone else to plant and not rent it." (HR. Muslim). In the hadith above, it had explained about the use of production factors in the form of land, which is an important factor in the land production that is left unprocessed and unutilized that hated by the Prophet Muhammad because it is not beneficial to those who have it and the community around it.

In carrying out production activities, the halal aspects of Islamic economics must be considered. Not all activities that produce goods and services are called production activities. Everyone is given the freedom to do business as long as it is halal and does not cause harm. The Messenger of Allah also wants a balance between production and consumption, neither israf (excessive) in terms of production or consumption.

The production purpose in Islam cannot be separated from the purpose of the creation and descending of human to earth, as the Khalifah of Allah on earth which is contained in Surah Al Baqarah: 30:

وَإِذْ قَالَ رَبُّكَ لِلْمَلَائِكَةِ إِنِّي جَاعِلٌ فِي الْأَرْضِ خَلِيفَةً قَالُوا أَتَجْعَلُ فِيهَا مَنْ يُفْسِدُ فِيهَا وَيَسْفِكُ الدِّمَاءَ وَنَحْنُ نُسَبِّحُ بِحَمْدِكَ وَنُقَدِّسُ لَكَ قَالَتْ إِنَّا أَعْلَمُ مَا لَا تَعْلَمُونَ

It means: And [mention, O Muhammad], when your Lord said to the angels, "Indeed, I will make upon the earth a successive authority." They said, "Will You place upon it one who causes corruption therein and sheds blood, while we declare Your praise and sanctify You?" Allah said,

"Indeed, I know that which you do not know."

Likewise, with Surah Hud: 61:

وَإِلَى ثَمُودَ أَخَاهُمْ صَالِحًا قَالَ يَا قَوْمِ اعْبُدُوا اللَّهَ مَا لَكُمْ مِنْ إِلَهٍ غَيْرُهُ هُوَ أَنْشَأَكُمْ مِنَ الْأَرْضِ وَاسْتَعْمَرَكُمْ فِيهَا فَاسْتَغْفِرُوهُ ثُمَّ تَوْبُوا إِلَيْهِ إِنَّ رَبِّي قَرِيبٌ مُجِيبٌ

It means: And to Thamud [We sent] their brother Salih. He said, "O my people, worship Allah; you have no deity other than Him. He has produced you from the earth and settled you in it, so ask forgiveness of Him and then repent to Him. Indeed, my Lord is near and responsive". The meaning is that humans are given the mandate to prosper the earth or humans are expected to intervene in the processes to change the world from what it is to what it should be. Therefore, they must carry out various activities including various economic fields including production.

The Factors of Production

According to Yusuf Qardhawi, the main production factors according to Al-Qur'an is natural and human work. Production is a harmonious blend of nature and humans. Nature is the wealth that Allah has created for the benefit of humans, He conquered it to realize the ideals and goals of man. Work is all the ability and sincerity that is mobilized by human, both physically and intellectually, to cultivate this natural wealth for their interests. Capital is not included as one of the production factors because capital is a form of equipment and infrastructure that is the result of work. Capital is saved work.

In the Al-Qur'an, the story of Adam's creation is depicted, among others, in Surah al-Baqarah verses 30 and 31 which means: "And [mention, O Muhammad], when your Lord said to the angels, "Indeed, I will make upon the earth a successive authority." They said, "Will You place upon it one who causes corruption therein and sheds blood, while we declare Your praise and sanctify You?" Allah said, "Indeed, I know that which you do not know." And He taught Adam the names - all of them"

From the explanation above, science is also the most important production factor in the Islamic view. Production techniques, machinery, and management systems are results, and knowledge, and work. In the view of Baqir Sadr (1979), economics can be divided into two parts, those are: 1. Economic philosophy; 2. Economic science. The difference between Islamic economics and conventional economics lies in its economic philosophy, not in its economic science. Economic philosophy provides the spirit of thought based on Islamic values and shari'a restrictions, while economic science contains economic analysis tools that can be used. With this framework in mind, the production factors in the Islamic economy are the same as the production factors in conventional economics, which can generally be stated in:

a. Human Resources Production Factors

Allah gave human knowledge, as the most important factor in production. Both in the form of production techniques and management systems. Human Resource Factors are explained in Surah Al- Baqarah; 31:

وَعَلَّمَ آدَمَ الْأَسْمَاءَ كُلَّهَا ثُمَّ عَرَضَهُمْ عَلَى الْمَلَائِكَةِ فَقَالَ أَنْبِئُونِي بِأَسْمَاءِ هَؤُلَاءِ إِنْ كُنْتُمْ صَادِقِينَ

It means: And He taught Adam the names - all of them. Then He showed them to the angels and said, "Inform Me of the names of these, if you are truthful. "

b. Natural Resources (Land) Production Factors

Allah has created man to work on the Human Resources Factor described in Surah Hud; 61:

وَإِلَى ثَمُودَ أَخَاهُمْ صَالِحًا قَالَ يَا قَوْمِ اعْبُدُوا اللَّهَ مَا لَكُمْ مِنْ إِلَهٍ غَيْرُهُ هُوَ أَنْشَأَكُمْ مِنَ الْأَرْضِ وَاسْتَعْمَرَكُمْ فِيهَا فَاسْتَغْفِرُوهُ ثُمَّ تَوْبُوا إِلَيْهِ إِنَّ رَبِّي قَرِيبٌ مُجِيبٌ

It means: And to Thamud [We sent] their brother Salih. He said, "O my people, worship Allah; you have no deity other than Him. He has produced you from the earth and settled you in it, so ask forgiveness of Him and then repent to Him. Indeed, my Lord is near and responsive."

c. Capital Production Factors

Allah has created the results of the earth as the basic capital of production as contained in Surah Al Baqarah: 22:

الَّذِي جَعَلَ لَكُمْ الْأَرْضَ فِرَاشًا وَالسَّمَاءَ بِنَاءً وَأَنْزَلَ مِنَ السَّمَاءِ مَاءً فَأَخْرَجَ بِهِ مِنَ الثَّمَرَاتِ رِزْقًا لَكُمْ فَلَا تَجْعَلُوا لِلَّهِ أَنْدَادًا وَأَنْتُمْ تَعْلَمُونَ

It means: [He] who made for you the earth a bed [spread out] and the sky a ceiling and sent down from the sky, rain and brought forth thereby fruits as provision for you. So do not attribute to Allah equals while you know [that there is nothing similar to Him]. In the conventional economy, the capital production factor is a very different factor from the Islamic economy because in the conventional economy the interest system is imposed. The effect of interest on capital turns out to have a wider impact on the level of production efficiency.

METHODS

In the writing method, the authors have used a literature study by searching for various written sources both sourced from books, journals, articles, sites on the internet, or documents relating to the topic studied and drawn the conclusion of the problem in the topic.

RESULT AND DISCUSSION

In Islam, the production behavior has a legal basis which is contained in:

Legal Basis for Production Behavior:

1. Al-Quran

- a. (QS Al-Baqarah; 22): Allah has created the produce of the earth as the basis of production - " [He] who made for you the earth a bed [spread out] and the sky a ceiling and sent down from the sky, rain and brought forth thereby fruits as provision for you. So do not attribute to Allah equals while you know [that there is nothing similar to Him]"
- b. (QS Huud; 61): Allah created man to work on nature (earth) - "And to Thamud [We sent] their brother Salih. He said, "O my people, worship Allah; you have no deity other than Him. He has produced you from the earth and

settled you in it, so ask forgiveness of Him and then repent to Him. Indeed, my Lord is near and responsive." (QS Huud; 61)

- c. (QS Baqarah; 31): Allah gave human knowledge, as the most important factor of production, both production techniques and management systems. "And He taught Adam the names - all of them. Then He showed them to the angels and said, "Inform Me of the names of these, if you are truthful."

2. Hadith

- a. "There is no one food eaten by someone is better than food from one's efforts." (Bukhari HR)
- b. "Whoever at night feels exhausted from the effort of his own hands during the day, his sins are forgiven (by Allah)." (HR Thabrani)

the Islamic view, production is an activity to produce and add benefit values to

an item in materially and morality to achieve the goal of human life, while the concept of production according to the conventional capitalist economic system can be interpreted as an attempt to obtain profits as big as possible. The owner of capital has the goal of producing to enrich himself, not to fulfill moral responsibilities to other human beings. There is something to be underlined according to the Islamic view, is that gaining profit is not prohibited as long as it is within the frame of Islamic objectives and law, as long as the main objective is to keep maximizing mashlahah. In the Islamic concept, masalahah is formulated with benefits plus blessings, while in the capitalist system the profit is for a person

From the discussion above it can be explained the differences in the production factors from the perspective of conventional and Islamic economics are as follows:

Table 4.1. Production Factors in Conventional and Islamic Perspectives

| No | Information | Conventional Economic Perspective | Islamic Economic Perspective |
|----|---|--|---|
| 1 | The Theory of Production | Production theory is intended to provide an understanding of the company's behavior in buying and using inputs for production and selling outputs or products. The production aims to seek profits as big as possible. | Al-Qur'an emphasizes the benefits of goods produced. Producing goods must have a relationship with the needs of humans. This means that goods must be produced to meet human needs, not to produce excessive luxury goods that are not by human needs. Production in the Islamic perspective is not oriented to gain profit as much as possible, even though seeking profit is not prohibited, but the main purpose of production is the benefit of individuals and society in a balanced manner. |
| 2 | The Function of Production | The production function describes the relationship between the number of inputs and outputs that can be produced in a time that is then used by consumers. | The function or behavior of production not only rests on the conditions of market demand but also based on consideration of benefit. |
| 3 | The Factors of Production (Land/Nature) | Do not care about future generations, work on natural resources for the current benefit, and do not think about the consequences arising from the arbitrary use of natural resources. | Islam views the resources that can be used up belong to the present and future generations. The current generation has no right to misuse resources that can be used up, causing danger to future generations. |
| 4 | The Factors of Production (HR / Labor) | Human labor is seen from the aspect of "skills" which are more non-physical, then differentiate between skilled and unskilled labor. Furthermore, humans are also distinguished between owners, managers, and workers. | Humans as a factor of production, in the view of Islam, must be seen in the context of human function in general, as the Khalifah of Allah on earth. As the most perfect creatures of Allah, humans have spiritual elements and material elements that both complement each other. |
| 5 | The Factors of Production (Capital) | Capital ownership is obtained by giving interest and giving capital by attracting interest which considers as usury. | Capital ownership is obtained by the methods permitted by shari'a such as; work, proceeds from the sale and purchase agreement, the results of the award, testament, and inheritance. Islam forbids lending capital by attracting interest. |

CONCLUSION

From the discussion that has been described previously, as Muslims from now on in all muamalah activities, must follow the rules set in Islam. Muslims have a legal

basis in muamalah, including one of them is in the goods produced sale and purchase. In the circuit or the business cycle, from production, distribution, to consumption should all be based on the legal basis of

Islam is the Al-Qur'an and Hadith. The Islam principles emphasized their balance is also applicable in the field of production. In surah Al-Hadid verse 25 implies that Allah ordered humans to carry out justice. Justice here may mean that the work done to maximize companies' profit should also be followed by efforts to prosper those who are directly or indirectly related to the activities. The conclusion is that the capitalist system has failed to bring people, in this case, society, to prosperity. Thus, the time has come for the community, especially Muslim investors, to turn to Islamic principles in carrying out production activities, to obtain blessings for all Muslims and all humans who are Allah's creations. The limitedness in this research is due to this research is a literature study that only analyzes theory, so it has not been able to answer the problem, in the sense of, not being able to solve the problem related to the actual production factor which should be according to the Islamic perspective. The next researcher is expected to research by conducting a qualitative analysis directly to the production actors to see the extent to which Islamic shari'a is applied by the actors of a production process.

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