



The Relevance Of Economic Policy In Khulafal Rasyidin And Modern Era

Kurniadi¹, Muh. Dian Nur Alim Mu'min², AM Nur Atma Amir³, Misbahuddin⁴, Siradjuddin⁵

Alauddin State Islamic University Makassar

email: kurniadik352@gmail.com

Keywords:

Islamic economics, the period of khulafaur Rashidin, modern era.

Abstract

After the death of Rasulullah saw, the country's economic system, especially in economic matters, was taken over by the khulafaul Rashidun. There were four leading figures in this phase, namely Abu Bakar Assiddiq, Umar bin Khattab, Uthman bin Affan, and Ali bin Abi Talib. The caliphs carried out their government system based on the guidance of the Prophet Muhammad based on the Qur'an and Sunnah. The purpose of this study was to find out the policies among the caliphs in managing the country's economic problems, as well as the relevance of the economic system during the Khulafaul Rashidun era to modern times. This research is a "field research" using qualitative methods. The results of the study show that there are differences between the friends in implementing various economic policies both in terms of state revenues and the method of channeling or distributing state assets to solve economic problems. One of the influencing factors was the existence of new problems arising from the conditions, both in terms of revenue, regional and political, which were faced by each caliph in his government. Until the modern era, the Islamic economy continues to adapt to the conditions of the times so that the Islamic economy continues to exist in the future and become a compatible economic system.

1. INTRODUCTION

Islamic economics is a branch of science that seeks to understand and address economic issues based on Islamic teachings. It begins by studying individual behavior, guided by the principles of the Islamic faith, which include defining life goals and methods for observing and analyzing economic problems. Islamic economics encompasses the conscious economic behavior of individuals and aims to achieve societal benefits (Hilman, 2022). The inception of Islamic economic thought dates back to the time of the Prophet Muhammad (peace be upon him). The Prophet Muhammad introduced various policies on matters related to jurisprudence (fiqh), politics (siyasah), business and economics (muamalah), as well as social concerns.

Economic issues were of particular concern to the Prophet Muhammad as they are one of the fundamental tenets of faith (Wati & Rafai HA, 2020). After the passing of the Prophet Muhammad, his companions continued his mission. The Prophet's guidance served as a reference for the caliphs in addressing state affairs, including economic

matters. Historically, the leadership of the Rashidun Caliphs is associated with four prominent figures who assumed leadership roles in Islam following the Prophet's era. Before his passing, the Prophet Muhammad did not appoint a direct successor to lead the Muslim community. Subsequently, Abu Bakr was elected as the first leader of the Muslims through deliberation (A. Farina, 2022). The reign of the Rashidun Caliphs marked the early stage of Islamic development and witnessed the establishment of numerous innovations in governance.

The development of Islamic economics owes much to the flourishing of Islam during the time of the Prophet Muhammad and his companions, whose influence continues to be felt. The period of the Rashidun Caliphs saw the rapid progress of Islamic economics. Historians emphasize the profound influence of Islam during the era of the Prophet Muhammad and the Rashidun Caliphs. Consequently, the evolution of Islamic economics is closely linked to the legacy of the Prophet Muhammad and his successors, the Rashidun Caliphs, Tabiin (followers of the



companions), and economic thinkers. This development was particularly significant during the reigns of Abu Bakr, Umar bin Khattab, Uthman bin Affan, and Ali bin Abi Talib (Soedrajat, 2022).

In essence, contemporary Islamic economics has its roots in past economic policies. The time of the Prophet Muhammad (peace be upon him) laid the groundwork for the emergence of a benefit-oriented Islamic economy, a concept further developed by his companions. As the Islamic territory expanded during the Caliphs' rule, new challenges arose, prompting the companions to implement various policies, particularly in the realm of the economy, to address existing issues and promote the welfare of society.

2. LITERATURE REVIEW

The term "Al-Khulafa ar-Rashidin" refers to the rightly guided successors to the Prophet. The name originated from the closest companions of the Prophet Muhammad after his passing. This is because they believed that these four figures were the same individuals who had accompanied the Prophet during his lifetime and continued to carry out important duties (Gratitude, 2011). In the Qur'an, humans are described in a general sense as the vicegerents of Allah on Earth, responsible for caring for and governing the Earth and its inhabitants. However, a specific meaning of "caliph" refers to the successor of the Prophet Muhammad (peace be upon him), who serves as the Imam of his people and may also assume leadership of an Islamic state.

It is known that Muhammad, in addition to being a Prophet and Messenger, also held roles as an Imam, Ruler, Commander of War, and more (Ahmad Jamil, 2011). The task of the Khulafa ar-Rashidin was to assume leadership after the Prophet Muhammad in governing the Muslim community. The responsibilities of the Prophet included both his prophetic mission and his role as a head of state. The Khulafa ar-Rashidin were tasked with taking over the leadership in matters of governance, serving as the heads of the state or government, and as

religious leaders. The prophethood could not be succeeded, as the Prophet Muhammad was the last Prophet and Messenger, and there would be no more Prophets and Messengers after him.

As heads of state, the Khulafa ar-Rashidin were responsible for organizing the lives of their people, aiming to establish a just, prosperous, safe, and secure society. As religious leaders, they were tasked with addressing religious matters and resolving disputes of opinion. They emphasized consensus and discussion to ensure that their policies aligned with the interests of the Muslim community (Zainudin, 2015). The foundation of Islamic economics was laid during the time of the Prophet Muhammad (peace be upon him) as he directly supervised and regulated economic activities while serving as the head of state and head of the religion.

Following the passing of the Prophet Muhammad, the public authority was entrusted to the Khulafa ar-Rashidin, particularly to the caliphs who received guidance and were appointed as leaders of the government to govern the Muslim community. The Khulafa ar-Rashidin included four close companions of the Prophet Muhammad: Abu Bakar Ash-Siddiq, Umar ibn Khattab, Uthman ibn Affan, and Ali ibn Abi Talib. Their governance took place over a span of thirty years, from 11 H to 41 H, corresponding to 632 AD to 661 AD. Each of the Khulafa ar-Rashidin had their distinctive leadership style, and they implemented various economic policies, especially during the reigns of Uthman ibn Affan and Ali ibn Abi Talib, which had a significant impact on the development of the Islamic religion (Akbar et al., 2021).

3. RESEARCH METHODS

This study employs a qualitative descriptive research methodology with a historical approach. The research collects data and information from historical sources and organizes them systematically. The research process consists of several stages. First, the



researchers gather data from various sources such as relevant books, journals, and articles related to this study. Subsequently, they provide background information, research methods, discussions, and the analysis of the study. Second, the researchers obtain data through interviews with several economic experts. The collected data are then described and analyzed descriptively. This study primarily focuses on the economic systems and policies implemented by the Khulafa ar-Rashidin and their relevance to modern economic circumstances. The conclusions of the study are derived from the discussions and the results of the analysis conducted.

4. RESULTS AND DISCUSSION

At the time of the establishment of the Islamic state, Prophet Muhammad (peace be upon him) did not inherit a treasury to fund the establishment of a country. When founding the initial state in Medina, the Prophet almost couldn't find a source for state income and expenditure, and most tasks were carried out collectively. Even at that time, there were no formal salaried soldiers, and every Muslim had the right to become part of the army and receive a share of the ghanimah. To fulfill its responsibilities as a Muslim government and provide a sufficient budget for the welfare and benefit of society, Prophet Muhammad (peace be upon him) established various sources of state revenue. These sources included ghanimah, zakat, kharaj, jizyah, ushr, khafarah, khums, amwal fadla, waqaf, and other revenues. After the passing of the Prophet, his companions continued to uphold and manage all regulations related to the government.

4.1 Abu Bakr Ash-Siddiq

The first caliph who succeeded Prophet Muhammad was Abu Bakr Ash-Siddiq. Abu Bakr's reign lasted for a little over two years, during which he essentially continued the work initiated by the Prophet Muhammad. Zakat management was one area that saw significant improvement during Abu Bakr's time. The approach became more professional,

emphasizing accurate calculations to optimize state treasury income (Baitul Mal). The concept applied was the "balanced budget policy" of the Baitul Mal institution, meaning that all collected income was promptly distributed to the public equally, leaving no surplus. Additionally, formal appointments of Baitul Mal managers were made. Abu Bakr's government was meticulous in developing the economic well-being of the people in Medina, particularly in the administration of zakat. Strategic and resolute measures were taken to collect zakat from all segments of the Islamic community.

The proceeds collected from zakat were deposited into Baitul Mal and immediately redistributed evenly among the entire Muslim community. During Abu Bakr's time, Baitul Mal assets were distributed based on the principle of equality. Everyone, regardless of whether they had converted to Islam earlier or later, whether they were slaves or free, and regardless of gender, received the same amount. Accumulating assets in Baitul Mal for an extended period was not allowed; the resources were swiftly disbursed. Muslims were granted equal rights, ensuring that an increase in state income led to equal benefits for all, thus preventing any Muslim from falling into poverty. When Abu Bakr passed away, only one dirham remained in the state treasury because it had been distributed among the people.

Furthermore, the salary system also began to be applied to state officials. The caliph was given a salary of 2.5 or 2.75 dirhams per day only from Baitul Mal. However, the allowance is not sufficient for the needs of him and his family so it is set at 2000 or 2500 dirhams per year, there is another opinion which says 6000 per year. During his reign various problems began to emerge, including the emergence of false prophets, apostates and there were people who began to be reluctant to pay zakat. (Amalia et al., 2022).

The emergence of false prophets and apostates was not left to chance, Caliph Abu Bakar then dealt with this problem



immediately, giving rise to a war called the riddah war . For Muslims who are reluctant to pay zakat after the death of the Prophet Muhammad. He is warned that those who do not want to pay zakat will have their souls killed. Apart from that, the lands of the apostates were taken over for the benefit of the Muslims (Hilman, 2022) .

Due to the short reign, the policies implemented during Abu Bakar's reign did not change too much, among the policies were:

- a) Punish or fight those who do not want to pay zakat.
- b) Not giving priority to badar experts in the distribution of wealth.
- c) Making the management of mines (rikaz) consisting of gold, silver, iron, bronze and steel a source of state income.
- d) Did not change the policy of the Prophet Muhammad. in the Jizyah issue.

4.2 Umar bin Khattab

Umar ibn Khattab, born into a respected Quraish family in 583 AD-644 AD, served as the second caliph after Abu Bakr. His full name was Umar ibn Khattab, bin Nufail bin Abd, al-Uzza bin Ribaah bin Abdillah bin Qartbin Razail bin 'Adi bin Ka'ab bin Luai. During his ten-year reign, a substantial expansion of Islamic territories took place, encompassing the Arabian Peninsula, Roman territories (Syria, Palestine, and Egypt), the Persian kingdom, including Iraq. To administer the vast territories, Umar implemented an administrative system based on the Persian model, dividing the lands into eight provinces: Mecca, Medina, Syria, Jazirah, Basrah, Kufa, Palestine, and Egypt. He also established a police agency and a labor agency. Unlike the previous caliph's policy of distributing all assets acquired by the state from Baitul Mal, Umar faced the challenge of increased income from Baitul Mal due to the widespread expansion of Islamic territory. Consequently, he modified the distribution policy. After deliberations, it was decided that part of Baitul Mal's assets would be distributed gradually, while the remaining portion would be reserved

for contingency and emergency funds. Umar's personal allowance as caliph included 5,000 dirhams, two types of clothing for winter and summer, and a riding animal for the pilgrimage. Other policies enacted during Umar's reign involved imposing zakat on horses and other productive goods and implementing land distribution. During Umar's reign, zakat was imposed on horses. In contrast to the time of Prophet Muhammad, when horses were relatively scarce and used primarily for personal needs and jihad in the name of Allah, zakat was only imposed on goods with productive value. However, horse breeding activities were expanded in Syria and other Islamic regions during the following period, with horses becoming trade commodities. Some horses held substantial value, reaching up to 20,000 dirhams. Upon a proposal from Muslims, the Governor of Syria sent a letter to the caliph requesting the imposition of zakat on horses, a proposal that was initially rejected but later accepted. Consequently, the horse zakat was set at one dinar. Umar also instituted Hums zakat on rubber in the Yemeni Peninsula, particularly between Aden and Mukha, and on marine products, as they were considered blessings from Allah. Furthermore, usyr was imposed on beekeeping. The expansion of Islamic territory during Umar's time gave rise to various new problems, including disputes over the ownership of conquered lands. Some companions argued for the distribution of land to those who had participated in the wars, while others opposed this idea. After consulting with military commanders and Djabiya troops' leaders, Caliph Umar decided to manage these lands as fei. This means that the caliph did not distribute the conquered lands and still let them be managed by the owners on the condition that they had to pay kharaj and jizyah. Regarding state income, it is classified into four parts (Saprida, 2021) :

- a. ushr income . Income is distributed within the local area. The remaining state income will be stored in the Central Baitul Mall and



distributed among the eight anshaf. As stated in the Qur'an.

- b. Income from khums and alms is distributed to the needs of the needy and poor to prosper their lives without distinguishing between Muslims and non-Muslims. According to a history, on his way to Damascus, Khalifa Umar met a Christian who had elephantiasis. Seeing this, the Khalifa gave the person a fee taken from the income from alms and food.
- c. Kharaj, fai, jizyah, ushr income (trade tax and land rent). The costs from this income are intended to finance pension funds, military costs, administrative operations and aid funds.

Umar's reign is often regarded as a golden era marked by visible changes and developments in state administration and justice. During this time, the Hijri calendar was introduced. As the Islamic territories expanded, encompassing diverse ethnic groups, new challenges emerged in politics, law, economics, and other areas. Umar ibn Khattab responded by implementing significant changes and building the state system he led (Susandi, 2022). Umar recognized the importance of the agricultural sector in the economy and introduced several innovations in this area. He distributed land to individuals willing to cultivate it, with the condition that it would be reclaimed by the state if left uncultivated for three years.

Additionally, he oversaw the construction of irrigation canals that spanned the newly acquired territories, establishing departments responsible for the development of reservoirs, tanks, canals, and multi-purpose gates to ensure efficient water distribution (Amalia et al., 2022). Regarding monetary policy, Caliph Umar initially considered the idea of printing currency from camel skin. However, this concept was ultimately abandoned due to concerns about the excessive slaughter of camels and the potential for counterfeiting. According to Amelia, Umar established the weight of a silver dirham to be one qirat, equivalent to 70 grams of barley or

100 of the finest wheat. This established a ratio of 7/10 between silver dirhams and mizals (seven tenths). Historical accounts suggest that Umar was the first to mint a dirham during his reign. In the sixth year of his rule, he minted a dirham bearing the inscriptions "alhamdulillah" and "ilaha illallah." Umar consistently strived to enhance his country's financial condition, including the establishment of a finance department to oversee the administration of state revenues and expenditures (Apriliya, 2021).

4.3 Uthman bin Affan

It is hoped that the election of Uthman bin Affan to replace the previous caliph will bring more advanced prosperity. The reign of the caliph Uthman bin Affan lasted 12 years. However, in the last six years of the reign of Caliph Uthman bin Affan, there were various turmoils that resulted in setbacks.

At the beginning of the leadership period, Uthman bin Affan had conquered various countries such as Kabul, Balkam, Sistan, Kerman and Grozni. After the conquest, Caliph Uthman continued the economic system implemented by Ummar bin Khattab. In order to develop natural resource potential, four contracts were entered into with conquered countries. Such as, building roads, digging water, trees and fruit. Apart from that, a naval fleet was also formed, led by Muawiah, which succeeded in establishing maritime supremacy in several regions. However, it required a lot of money to maintain the navy so that Caliph Uthman, in order to lighten the burden on the state, did not take wages from his office and kept them in the state treasury. Economic growth during the time of Uthman bin Affan developed rapidly. Various policies in running the economy are also implemented with the following principles (Soedrajat, 2022) :

- a. The implementation of Islamic economic politics.
- b. Establish excise or taxes without tyrannizing the people
- c. Established the obligation of zakat on assets for Muslims



- d. Given rights to Muslims from Baitul Mal
- e. It is stipulated that the obligation of the dzammi to hand over their assets to Baitul Mal and still provide them with their rights.

In terms of the fiscal institution, namely Baitul Mal, Uthman's policies related to Baitul Mal income continued the practices of previous caliphs. Baitul Mal's assets were derived from zakat, ushr, kharaj, ganimah, and other sources of income. Uthman also established a police agency responsible for maintaining peace and security, safeguarding Baitul Mal assets during collection and storage, and investigating assets held by officials and the public (Hilman, 2022). Uthman's government derived income from various sources, including zakat, war booty (ghanimah), kharaj, jizyah, kharaj (land tax), and usyur (one-tenth of merchandise). With respect to zakat administration, Uthman delegated the authority to evaluate zakat assets to their respective owners.

This decentralization aimed to protect zakat from interference and resolve issues related to assessing unclear wealth by unscrupulous zakat collectors. Zakat was levied only on assets that were free of debts, and zakat for pension funds was also reduced, although the allowance for pension funds was raised to 100 dirhams along with additional clothing. To enhance defense, maritime sectors, and to finance the development of newly conquered territories, additional funds were needed. Consequently, Uthman introduced several high-level administrative reforms and replaced certain governors. Following the appointment of Abdullah bin Saad as the governor, income from kharaj and jizyah doubled from 2 million dinars to 4 million dinars.

However, this policy was criticized by some, accusing the government of extortion. Uthman sought to increase Baitul Mal's revenue by implementing regulations that distributed state land to individuals for reclamation purposes. This policy significantly boosted state income, resulting in an increase of 41 million dirhams to reach 50 million dirhams compared to the time of Umar when

such policies were not in effect (Saprida, 2021). During the last six years of his caliphate, Uthman's economic policies did not undergo significant changes. These policies, along with other factors, led to dissatisfaction among Muslims who perceived them as favoring Uthman's family and contributing to nepotism. This discontent eventually resulted in political turmoil and was one of the factors contributing to the assassination of Caliph Uthman (Soedrajat, 2022).

4.4 Ali bin Abi Talib

Ali bin Abi Talib, who was born 21 years before the Hijriah near the Kaaba or 30 years after the birth of the Prophet Muhammad, became the caliph after the death of Uthman bin Affan, ruling for about five to six years. His leadership was marked by various achievements across different sectors, including financial reforms, state property and land control, and the restoration of Baitul Mal. However, Ali's reign was characterized by upheavals and instability, triggered by the dismissal of governors appointed by Uthman during his rule and the withdrawal of lands previously distributed by Uthman (Wati & Rafai HA, 2020).

Ali was a humble leader who, during his term, excluded himself from the list of Baitul Mal recipients, even making annual donations of 5000 dirhams. His economic policies included imposing a tax of 4000 dirhams on forest owners and levying zakat on fresh vegetables used for cooking. Taxes were also imposed on forest products and vegetables. Ali emphasized the fair distribution of people's money according to their capacity, carried out weekly, with distribution starting on Thursdays. Additionally, he established an organized police force named Al-Syurthah. A notable feature of Ali bin Abi Talib's leadership was his adept management of government financial issues.

He introduced an Islamic currency distinct from the Roman dinar and Persian dirham (Junaidin, 2020). During his reign, Ali dismissed governors perceived as acting

arbitrarily, including Muawiyah in Syam, who had been appointed by Uthman. Ali believed that Muawiyah had provoked conflict and demanded his resignation from the position he had recently held. Ali also revoked several land grants given by Uthman to his followers. Furthermore, Aisyah, Thalhah, and Zubair asked Ali to identify Uthman bin Affan's killer for punishment. Ali's reign was marked by civil wars, including the Jamal, Siffin, and Nahrawan wars, leading to his decision to move the capital from Medina to Kufa. Despite the relative lack of policies during his reign, the policies implemented by Ali made a positive impact on Muslims, especially in terms of improving social and political life. Some of these policies included giving permission to Ibn Abbas, the governor of Kufah, to collect zakat on fresh vegetables used as cooking spices, distributing Baitul Mal assets based on the principle of equal distribution according to individual capacity, forming an official police force called Syurthah, and issuing Islamic currency distinct from the Roman dinar and Persian dirham used during Uthman's reign (A Farina, 2022).

4.5 Analysis of the Relevance of Income and Distribution During the Khulafaul Rasyidin Period and Modern Times

The state income during the Khulafaul Rasyidin era generally included zakat, ghanimah, kharaj, jizyah, usyur, khums and fai. The following are several policies regarding state income during the Khulafaul Rasyidin era. During Abu Bakar's time, zakat was one of the instruments that much discussed. This is due to the emergence of dissidents to pay zakat. Zakat is one source of economic equality. Abu Bakar's policy in distributing state assets (baitul mal) uses a balance budget policy system. During the time of Umar bin Khattab, state income increased greatly. Apart from zakat income as before, zakat is also starting to be obtained through zakat on horses, zakat on marine products, zakat on rubber plants. other state revenues such as ghanimah, kharaj and jizyah. The main factor causing the increase in state

income is the result of wider regional expansion. Regarding the distribution of state assets, Umar built irrigation canals for the welfare of the community.

During the time of Uthman bin Affan, the policy towards baitul mal did not change much from the previous khalifa. Income consists of zakat, ghanimah, jizyah, kharaj, usyur. Another significant income is the result of land distribution for reclamation purposes. The results of this regulation increased state income by up to 41 million dirhams from the previous caliph. For state security, Caliph Umar formed a police force and a navy. During the time of Ali bin Abi Talib, state revenue or baitul mal was obtained the same as the previous caliph. Other income from forest tax is set at 4000 dirhams for forest owners, as well as zakat from vegetables. Apart from that, Ali bin Abi Talib changed part of the Baitul Mal property distribution system, namely once a week.

If you look closely, zakat is one of the main instruments for state income and helps the welfare of society even today. The struggle carried out by Abu Bakar in fighting zakat apostates indicates that zakat payments must continue to be implemented. Zakat is also included in one of the pillars of Islam. As stated by the Prophet Muhammad. that Islam is built on 5 basics, one of which is paying zakat " وَأَتُوا " الزَّكَاةَ " (pay zakat). In connection with what was stated by Trisno, lecturer at UIN Alauddin Makassar, that one form of economic prosperity that we can see is zakat. This zakat is very helpful in improving economic prosperity equally. In Islam we are commanded to give away our wealth, because other people have rights in it. The purpose of this zakat is to return it to underprivileged communities, so that it will help achieve economic equality. This is different from conventional economics which wants the rich to get richer and the poor to get poorer. So from here we can see that the role of Islamic economics is very helpful in stabilizing the economic situation evenly.



Furthermore, Trisno also said that the economy during the caliphate's era still exists today. State income or related to fiscal policy during the caliphate's time can be seen in *baitul mal*, which was obtained from *kharaj*, *ghanimah*, *zakat*, *jizyah*, *khums*, *fai*, *kafaraat*, and so on. Meanwhile, nowadays we can see it as APBD or APBN. If it is related to the present, for example there is Baznas. Adiwarman also said the same thing that, during the time of Rasulullah SAW, APBN revenues included *kharaj* (a type of land tax), *zakat*, *kums* (one-fifth tax), *jizya* (a type of tax on non-Muslims), and other income (including *kafarat* /fine). Expenditures consist of expenditure aimed at *da'wah*, education and culture, science and technology, defense and security and social welfare.

The next respondent, Mus seeni, said that the Islamic economic system is a compatible economic system. Apart from that, it can always adapt to the times. However, if you want to apply Islamic economics during the caliphate era which was passed on from the Prophet Muhammad, I don't think it's like that, because times have changed a lot. Many events in the present do not exist at that time. There are many examples of new things happening today that did not exist at that time. Therefore, Islamic economics needs to be adapted to today's times. Changes also occurred during the reign of the Rashidun khulafaul, where the policies taken were different between the caliphs.

This was due to changes in the conditions and situation of the country at that time. Like during the time of Umar who developed various policies after the caliph Abu Bakar died. The policy in distributing *Baitul Mal* assets is slightly different from Abu Bakar, namely horse *zakat* income, construction of irrigation canals and so on. This shows that Islam adapts to the conditions of the times. However, the principles and values of the Islamic religion must not be abandoned. In terms of Islamic economic practices in modern times, a lot has changed, for example in terms of practice. However, the principles and values

contained in Islamic economics are still being implemented.

All respondents agreed that the challenges faced in the development of the Islamic economy today are issues of education, human resources, regulations, law and stackholder connectivity. Apart from that, if you want to implement an Islamic economic system in a *kaffah* manner, especially in Indonesia, it will be very difficult, because Indonesia is not an Islamic country, but is a Muslim majority country and is a democracy. The development of the Islamic economic system today cannot be separated from what was started by the Prophet and his friends. Indeed, many of the changes that occur today did not exist in the early Islamic era. However, Islam as *rahmatan lil'amin* covers all aspects of life. Providing guidance to humans regarding ways of life that are approved by God, including practicing *muamalah*. The Qur'an and hadith are guidelines and foundations for Muslims in carrying out all life activities.

5. CLOSING

5.1 Conclusion

The research has conclusions drawn from the entire series of discussions. First, the economic system and policies implemented by the caliphs generally continued from what the Prophet Muhammad had started during his lifetime. The policies carried out by the four caliphs were adjusted to the situation the country was facing at that time, so that the caliphs had differences in determining policies, in this case economic policies regarding income and expenditure or distribution of assets. Second, Islamic economics always adapts to changing times until it reaches the modern era. In modern times, Islamic economics is still practiced, although overall it is not exactly the same as what was applied in the early days of Islam.

However, Islamic values and principles continue to be practiced and are always adapted to the times. Third, Islamic economics is compatible and flexible with the Al-Quran



and Sunnah as the main reference in making Islamic economic policies.

5.2 Suggestion

The necessity of providing guidance in this study is evident due to the limited availability of historical data for directly producing a journal study on the Khulafaur Rashidin period, which existed in the 7th century AD. The written records from that era are notably scarce, and research conducted on this period often leans toward historical or interpretive in nature. In addition, it is imperative to thoroughly review relevant economic aspects during the time of the Khulafaur Rashidin, including taxation systems, trade, monetary policies, infrastructure development, resource management, and more. It is also essential to identify differences and similarities with contemporary economic concepts. Comparing the economic conditions during the Khulafaur Rashidin period with those preceding and following it, as well as with other economic systems of the same era, will yield valuable insights. This comparative analysis will contribute significantly to a better understanding of the unique role and contributions of the Khulafaur Rashidin period to economic development.

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