



## HOW SHOULD THE PARADIGM OF ISLAMIC ECONOMIC RESEARCH BE UNDERSTOOD?

**Sjafruddin**

Universitas Jember, Jember, Indonesia  
Corresponding Author's: [sjafruddin@unej.ac.id](mailto:sjafruddin@unej.ac.id)

**Hamzah Zainuri**

Universitas Serambi Mekkah, Banda Aceh, Indonesia  
[hamzah.zainuri@serambimekkah.ac.id](mailto:hamzah.zainuri@serambimekkah.ac.id)

### Abstract

Islamic economics is a relatively new discipline within academic discourse, particularly compared to other more established branches of Islamic studies. Its practical applications in contemporary markets have encouraged extensive research; however, dominant methodologies are largely quantitative and positivistic. Such positivist approaches emphasize value-neutrality, often neglecting the ethical and spiritual dimensions that distinguish Islamic economics. This study critically evaluates the dominance of quantitative-positivistic paradigms and advocates for an alternative paradigm, the integration-interconnection approach. This paradigm emphasizes integrating religious ethics into economic analysis, thus aligning economic practices with spiritual and ethical values. Adopting a qualitative, non-positivistic methodology, this research explores the philosophical foundations of Islamic economics through ontology, epistemology, and axiology. The findings underline that selecting an appropriate methodological paradigm is crucial for effectively developing Islamic economic theories and ensuring their practical relevance. This study contributes to the ongoing discourse by highlighting the need for methodological pluralism that reflects Islamic values, offering a holistic and context-sensitive framework to address contemporary economic challenges within an Islamic ethical framework.

**Keywords:** Islamic Economics, Integration-Interconnection, Positivist Paradigm.

### Abstrak

Ekonomi Islam masih tergolong baru dalam diskursus akademik, khususnya dibandingkan dengan cabang ilmu keislaman lain yang lebih mapan. Praktiknya di pasar telah mendorong berbagai riset, namun metode yang digunakan masih didominasi pendekatan kuantitatif-positivistik. Paradigma ini menitikberatkan pada netralitas nilai, sehingga cenderung mengabaikan dimensi etika dan spiritual yang mendasari ekonomi Islam. Kajian ini secara kritis mengevaluasi dominasi paradigma positivistik tersebut serta menawarkan paradigma alternatif berupa integrasi-interkoneksi. Paradigma ini menekankan integrasi etika keagamaan dalam analisis ekonomi sehingga aktivitas ekonomi sejalan dengan nilai-nilai spiritual dan etis. Menggunakan pendekatan kualitatif dalam kerangka non-positivistik, penelitian ini mengeksplorasi landasan filosofis ekonomi Islam melalui tiga dimensi utama: ontologi, epistemologi, dan aksiologi. Hasil penelitian menunjukkan pentingnya pemilihan paradigma metodologi yang tepat untuk pengembangan teori ekonomi Islam secara efektif serta memastikan relevansi praktisnya. Penelitian ini berkontribusi pada diskursus ekonomi Islam dengan menegaskan perlunya pluralisme metodologis yang mencerminkan nilai-nilai Islam, sebagai kerangka holistik dan kontekstual dalam menghadapi tantangan ekonomi kontemporer.

**Kata Kunci:** Ekonomi Islam, Integrasi-Interkoneksi, Paradigma Positivistik.

## **A. INTRODUCTION**

Research in Islamic economics has witnessed significant growth and development in recent years. Numerous studies have been conducted by both academics and practitioners, focusing on key areas such as Islamic banking, Islamic investment, and Zakat, Infaq, and Sadaqah (ZIS). A predominant feature of this body of work is the reliance on quantitative analytical approaches, which are widely employed for data presentation, analysis, and the derivation of conclusions. The extensive adoption of this methodology has positioned it as a 'mainstream' approach, and at times, even as a 'fringe-mainstream' practice. This trend draws parallels with the dynamics of consumer preferences in markets for goods and services, where certain methods gain prominence due to higher demand, while others remain 'non-mainstream' due to their limited appeal.

The fundamental philosophical foundation of Islamic economics lies in its intrinsic spirit, which imbues its theories with truth and purpose, distinguishing them from mere theoretical constructs devoid of practical benefit. This philosophical essence is encapsulated within three core dimensions of scientific inquiry: ontology, epistemology, and axiology.

Ontologically, Islamic economics begins with the question of what is essential to its study, seeking to uncover the foundational nature and principles underlying its discipline. Epistemologically, it addresses the methods and processes through which Islamic economic research can be conducted effectively and rigorously, ensuring the validity and reliability of its findings. Finally, in the axiological dimension, the focus shifts to the purpose and application of Islamic economic theories—exploring their goals, identifying their beneficiaries, and assessing their relevance to addressing practical needs in society. These interconnected pillars provide a comprehensive framework for advancing the field of Islamic economics in both theoretical and practical contexts.

Research grounded in the three foundational philosophical dimensions—ontology, epistemology, and axiology—can generate robust theories capable of addressing complex real-world phenomena. However, a deep and comprehensive understanding of these philosophical aspects is often overlooked by researchers during the initial stages of study design. This oversight frequently leads to a methodological misalignment, compelling researchers to adopt paradigms that may not align with the philosophical underpinnings of their inquiry. Such a mismatch can undermine the coherence and relevance of the research framework, ultimately impacting the validity and applicability of the findings.

The primary objective of all research is to acquire knowledge and achieve a deeper understanding of reality. The knowledge generated by research is shaped not only by the chosen topic but also by the approaches, methods, and procedures employed. Within the broader classification of scientific disciplines—natural sciences, social sciences, and humanities—Islamic economics is fundamentally situated within the domains of social sciences and humanities.

A critical issue arises when Islamic economics researchers indiscriminately adopt approaches, methods, and procedures appropriate for natural sciences, particularly those grounded in a positivist paradigm, without adequately considering the distinct characteristics of their subject matter. For studies addressing the efficiency and effectiveness of goods, methodologies rooted in natural sciences may be appropriate. However, when investigating economic phenomena that involve society as an active

economic agent, the methodologies and approaches must align with the paradigms of social sciences and humanities to ensure rigor and relevance.

Islamic economics research encounters a critical decision regarding its paradigm: whether to adopt a positivist philosophical framework or a non-positivist one. While both paradigms are oriented toward uncovering truth, they differ fundamentally in their underlying philosophical assumptions and approaches. The primary issue in Islamic economics research does not lie in the validity of the positivist paradigm itself—appropriate for inquiries in the natural sciences—but in its indiscriminate application to all research problems within the field.

This methodological overreach is particularly evident in studies that employ positivist paradigms to address issues involving economic agents and their institutions, where such an approach may not fully capture the complexities and contextual nuances of the subject matter. The misalignment between the paradigm and the nature of the research problem underscores the need for greater methodological reflexivity in the field. The article is written using the Times New Roman font with a size of 12 single spaced characters. The introduction contains a brief background of the research, a brief review of various previous studies as well as the research gap from the current research as well as a brief purpose of the research.

## **B. LITERATURE REVIEW**

The field of Islamic economics has witnessed significant development in recent decades, primarily driven by the growing need to establish alternative economic systems grounded in ethical and spiritual values. This development has been paralleled by an increasing body of research aimed at exploring its theoretical and practical dimensions. A prominent feature of this body of research is the dominance of the positivist paradigm, characterized by its reliance on quantitative methodologies, empirical validation, and value-neutral assumptions. This paradigm has been widely employed in studies on Islamic banking, investment, and Zakat, Infaq, and Sadaqah (ZIS) (Syafiq & Syarifah, 2023). While the positivist paradigm has facilitated advancements in data collection and analysis, it has also faced criticism for its limitations in addressing the complex, value-driven nature of Islamic economics. Critics argue that positivist approaches tend to marginalize the ethical and spiritual dimensions intrinsic to Islamic economic principles. By emphasizing empirical generalizations, these methods often fail to capture the holistic essence of economic behavior within an Islamic framework.

In response to these critiques, scholars have proposed alternative paradigms, including non-positivist approaches and the integration-interconnection paradigm. The latter aims to bridge the divide between quantitative and qualitative methodologies, incorporating ethical considerations and aligning economic practices with Islamic spiritual and moral values. Despite its potential, the integration-interconnection paradigm remains underexplored, and its application is still in the early stages within Islamic economic research (Furqani & Haneef, n.d.).

Islamic economics, as a discipline, faces numerous debates and unresolved issues that hinder its theoretical and practical advancements. One of the most prominent debates centers around the suitability of adopting a positivist paradigm versus a non-positivist framework. Proponents of the positivist paradigm argue that its quantitative

methodologies bring rigor and empirical validity to Islamic economic studies, making them comparable to conventional economic analyses. However, critics contend that the value-neutral stance of positivism is incompatible with the ethical and spiritual essence of Islamic economics, which emphasizes human welfare and moral accountability (Zaman, 2013). Another key debate revolves around the integration of Islamic principles with contemporary economic practices. While Islamic economics is rooted in ethical values derived from the Qur'an and Hadith, its application in modern contexts often leads to tensions between normative principles and empirical realities. This gap highlights the challenges of operationalizing Islamic economic theories without diluting their spiritual and moral foundations.

Furthermore, the lack of a unified methodological framework is a critical gap in the field. Many studies fail to differentiate between the methodological requirements of natural sciences and the social sciences, leading to the indiscriminate application of quantitative methods to inherently qualitative phenomena. This methodological misalignment undermines the depth and relevance of research findings, particularly in areas involving human behavior and societal values. The absence of interdisciplinary approaches also limits the ability of Islamic economics to address complex, real-world challenges. Scholars have called for greater collaboration across disciplines, such as sociology, anthropology, and political science, to enrich the theoretical foundations and practical applications of Islamic economics (Rafikov & Akhmetova, 2020).

The theoretical foundation of Islamic economics is deeply rooted in its philosophical dimensions: ontology, epistemology, and axiology. These dimensions provide a comprehensive framework for understanding the principles and objectives of Islamic economic systems, as well as their application in contemporary contexts. Ontology addresses the fundamental nature and principles underlying Islamic economics. It seeks to define the essence of economic behavior within an Islamic framework, emphasizing the spiritual and ethical dimensions that distinguish it from conventional economic systems. Epistemology explores the methods and processes through which knowledge in Islamic economics is acquired, validated, and applied. This dimension emphasizes the integration of divine revelation (wahy) with rational analysis and empirical observation. The integration-interconnection paradigm has been proposed as a means to address the epistemological challenges in Islamic economics, facilitating a holistic understanding that combines normative and empirical insights. Axiology focuses on the ethical and moral values that underpin Islamic economic theories and practices. These values include justice ('adl), benevolence (ihsan), and accountability (mas'uliyah), which guide economic behavior and decision-making. Unlike conventional economics, which often prioritizes material gains, Islamic economics seeks to balance material and spiritual well-being, fostering a system that promotes social justice and environmental sustainability.

The theoretical advancements in Islamic economics have been shaped by efforts to align its core principles with contemporary economic realities. These developments are aimed at addressing the methodological and conceptual gaps identified in previous research, as well as proposing new frameworks that enhance the discipline's relevance and applicability. The construction of new theories in Islamic economics is often guided by the integration of classical Islamic teachings with modern economic concepts. Scholars have worked to articulate theories that emphasize the ethical dimensions of economic behavior, such as theories of profit-sharing, zakat redistribution, and Islamic finance. These theories

aim to balance individual incentives with collective welfare, reflecting the maqasid al-sharia framework.

Recent developments in Islamic economics highlight a gradual shift from a predominantly positivist approach to more integrative and interdisciplinary methodologies. The integration-interconnection paradigm has gained traction as a means of bridging the gap between normative and empirical dimensions, promoting a holistic understanding of economic phenomena. Methodological innovations include the incorporation of qualitative research methods, such as case studies and ethnographic analyses, to explore the lived experiences of economic actors. These methods offer deeper insights into the social and moral contexts of economic behavior, complementing the quantitative techniques traditionally employed in the field.

### **C. DATA & METHOD**

This study employs a qualitative methodology grounded in a non-positivist paradigm to achieve a comprehensive understanding of phenomena within Islamic economics. This paradigm is selected for its capacity to uncover the underlying meanings and values associated with economic behaviors. Data collection involves an in-depth review of relevant literature and the analysis of research documents pertaining to Islamic economics. This methodological approach aims to explore the foundational philosophical dimensions—ontology, epistemology, and axiology—that underpin Islamic economic theory, emphasizing how the chosen paradigm shapes research outcomes.

Data analysis is conducted thematically to identify patterns and interrelationships among concepts relevant to the study's objectives. To enhance the validity of the findings, the triangulation method is employed by comparing insights derived from multiple data sources. Furthermore, the study critically examines the application of the positivist paradigm within Islamic economics, particularly in the context of quantitative research, which often dominates the field. By incorporating a value-oriented axiology and a focus on interpretative meaning, this research seeks to offer both theoretical and practical contributions that advance the holistic development of Islamic economics.

### **D. RESULT & DISCUSSION**

#### **Between Positivism And Non-Positivism**

Positivism, a value-neutral philosophical school originating in the 19th century through the foundational work of Auguste Comte, represents a synthesis of rationalist and empirical traditions (Muslih, 2021). Distinguished by its focus on scientific methodology, positivism shifted the role of knowledge from mere reflection, as emphasized in earlier empiricism and rationalism, to methodological application. Since the Renaissance, the natural sciences have emerged as the dominant methodological model, overshadowing other branches of knowledge. Positivism integrates discoveries traditionally explored within the realm of epistemology, thereby framing human understanding of reality within the methodological constructs of natural science.

In contemporary research, positivism underpins the quantitative paradigm. When applied to Islamic economics, this paradigm focuses on testing theoretical propositions or validating truths through empirical methods. Positivist methodology employs deductive reasoning, survey techniques, statistical tools (including nonparametric and descriptive methods), and computational models. This approach necessitates precise operational

definitions for research concepts, emphasizing measurable dimensions and specific parameters. Positivism thus positions operationalization as central to scientific inquiry and has significantly advanced statistical methods for descriptive and explanatory research, including hypothesis and theory testing.

Conversely, non-positivist philosophy emphasizes the holistic nature of truth, rooted in the characteristics of ideas rather than empirical phenomena. Unlike positivism, which relies on observable sensibilities, non-positivism delves into the underlying nominal realities that inform empirical data. This paradigm, often associated with qualitative research, prioritizes uncovering the meanings behind data rather than merely proving theories. Noeng Muhadjir (Noeng, 2000) describes non-positivism, or post-positivism, as distinguished by its focus on interpreting the meaning within empirical contexts. Applied to research, the non-positivist paradigm seeks to construct theoretical frameworks rather than validate existing ones.

The interplay between these paradigms prompts critical questions in Islamic economic studies: Which paradigm is most suitable for advancing the field? Why should a specific paradigm guide its development? Does the paradigm's emphasis on axiomatic aspects align with the goals of Islamic economic inquiry? Islamic economics prioritizes knowledge that serves humanity's benefit (Suriasumantri, 1993), contrasting with the value-neutral aims of positivism. Issues such as poverty, social justice, and welfare highlight the limitations of positivism's axiomatic scope. Unlike frameworks that treat humans solely as economic agents akin to inanimate objects, Islamic economics recognizes the multidimensional nature of human beings—not only as *Homo Economicus*, but also as *Homo Metaphysicus*, *Homo Ethicus*, and *Homo Sapiens*—underscoring the need for a paradigm that reflects this complexity.

Recognizing this complexity, Islamic economics inherently favors a paradigm that accommodates multiple dimensions of human existence, thereby advocating for the adoption of non-positivist or integrative-interconnection frameworks. Such paradigms enable researchers to explore and articulate economic phenomena through a lens that integrates ethical, spiritual, and social considerations, reflecting the true essence and objectives of Islamic teachings. The shift toward non-positivist methods thus provides an essential corrective measure against the limitations imposed by positivism, allowing Islamic economics to offer insights and solutions that not only address economic efficiency but also promote justice, societal welfare, and spiritual enrichment, ultimately achieving the holistic well-being envisioned by Islamic principles.

### **Non-positivism in Islamic economics**

Islamic economics is fundamentally rooted in ethical values, positioning it as a moral science whose scope extends far beyond mere personal interests. This perspective advocates for an interpretive approach that seeks to understand the meaning of actions, rather than merely explaining cause-and-effect relationships (Dua, 2008). Economic actors are viewed as spiritual beings imbued with distinct ideas, values, and aspirations, shaped by their consciousness. Their responsibilities, as expressions of collective phenomena, cannot be accurately captured by interpreting their actions as automatic or mechanistic. Economic activities, as social phenomena reflecting the spiritual nature of humans, can only be comprehensively understood by exploring the dynamic and unique worlds of meaning embedded in the minds of these actors. These interpretive meanings extend

beyond individual experiences, encompassing shared perceptions and societal phenomena.

When economic issues are analyzed purely through the lens of positivism, actors are often reduced to objects, comparable to goods or other neutral entities. This approach disregards their aspirations, values, norms, and ethical commitments, treating economic behavior as static and detached from its broader social and moral context. Furthermore, the application of positivism in economic research often leads to incremental improvements without generating new theoretical insights. Positivist methodologies, constrained by their speculative reliance on stereotypes, frequently culminate in unresolved debates over policy implications. Deviations in observed phenomena are dismissed as errors or attributed to unobserved variables, further limiting the explanatory power of this approach.

In contrast, research in the social sciences, including Islamic economics, requires a deeper understanding of meaning rather than a simple cause-and-effect analysis. Non-positivist paradigms emphasize understanding phenomena by uncovering the interpretive meanings they hold. This paradigm prioritizes the selection of appropriate approaches, models, and paradigms to achieve a holistic and comprehensive understanding of economic realities, underpinned by robust qualitative research.

The aim is not to study humans as objects but to learn from their lived experiences. This underscores the distinction between descriptive research, which often incorporates positivist elements, and true qualitative research, which emphasizes semantic, contextual, and emic perspectives. Qualitative research prioritizes depth over breadth, employing a cyclical, iterative process of data collection to explore the complexities of human behavior and thought. By relying on "practical reasoning" rather than formal logic, this paradigm acknowledges the nuanced and dynamic ways humans navigate everyday challenges (Yustika, 2010).

This non-positivist approach is particularly relevant to Islamic economics research, as it captures the authentic complexity of economic life, integrating moral values, spirituality, and social behaviors within diverse economic contexts. Consequently, this paradigm creates room for developing more contextually relevant theories and facilitates the formulation of economic policies that are precisely targeted and responsive to societal needs. Furthermore, the non-positivist paradigm enriches the understanding of the internal and spiritual dimensions of economic actors and strengthens the interdisciplinary connections between Islamic economics and other social sciences such as sociology and anthropology. This integrative approach enables Islamic economics to significantly contribute to addressing contemporary economic challenges with greater depth and relevance.

## **Islamic Economic Paradigm Design**

### **Epistemology of Islamic Economics**

If Islamic economics is understood as an economic system aligned with Islamic law, as agreed upon by Islamic scholars in their definition of Islamic economics, several critical issues emerge. These include determining the appropriate school of thought, the specific interpretation of Islamic principles to be adopted, and other related considerations. Islamic finance, as a core component, operates within a distinct worldview, integrating the Qur'an and Hadith alongside the contextual reasons for their revelation. This paradigm further

incorporates rational analysis and empirical inquiry, allowing for a dynamic interaction between textual sources and contextual realities. Crucially, the paradigm must remain consistent with the framework of *maqashid al-sharia* (the objectives of Islamic law). Despite these foundations, constructing Islamic economic theory is fraught with challenges, often raising the question: why do theories resemble those of conventional paradigms despite differing foundational assumptions?

To clarify the epistemological and ontological foundations of Islamic economics, the integration-interconnection paradigm offers a promising approach. This paradigm facilitates a comprehensive understanding of Islamic economics by addressing its epistemological challenges and the essential characteristics of its formal and material objects. According to Amin Abdullah (2005: 234), a significant issue in Islamic studies lies in the detachment of Islamic texts from their social contexts. Traditionally, these studies have relied on dichotomous and atomistic approaches. To overcome this limitation, an integrated and interconnected approach is needed—one that combines multiple disciplines and perspectives. This reintegration effort seeks to harmonize Islamic science with broader scientific paradigms, acknowledging their interrelatedness and incorporating diverse perspectives to address modern complexities (Bagir, 2005).

The integration-interconnection paradigm illustrates how various disciplines within Islamic economics intersect, all aiming to understand the same universal reality but from differing focal points and dimensions. Rejecting any sense of academic exclusivity or superiority, this paradigm advocates for a holistic and interconnected perspective to advance understanding. Integration, as described by Kuntowijoyo (Kuntowijoyo, 2006), seeks to unify divine revelation with human intellectual discoveries, transcending simple combination. It does not isolate God, as in atheism, or marginalize human agency, as in asceticism. Within this framework, the Qur'an and Hadith are regarded as the grand theoretical foundations of knowledge, facilitating the synthesis of Islamic and general sciences while preserving their distinct identities.

A thorough understanding of the scopes and boundaries of individual disciplines is essential to examine the intersections between religion and economics. Where overlaps exist, they must be clearly delineated. Unlike certain religious perspectives that limit economic activity to basic survival needs, Islam views economic engagement as an integral aspect of fulfilling human responsibilities on Earth. Any economic system, including Islamic economics, must be grounded in an ideology that provides foundational principles, clear objectives, and guiding axioms. These axioms and principles must be articulated and operationalized to validate the system's authenticity and applicability (Kahf, 1995). The Islamic worldview serves as the basis for developing any framework aimed at advancing Islamic economics, emphasizing the need to distinguish clearly between Islamic economic systems and the legal or philosophical constructs derived from them. However, literature on Islamic economics often neglects this distinction, frequently conflating foundational legal aspects with broader economic principles, offering only cursory overviews of Islamic economic systems (Kahf, 1995).

Islamic economics must clearly differentiate between the domain of Islamic law (*fiqh*), which addresses trade law (*fiqh muamalat*), and the field of economics. This distinction is crucial because the study of Islamic economics has developed its own unique character, largely due to the integration of diverse methodologies, such as normative and positivistic approaches. While Islamic trade law has traditionally shaped the boundaries of



Islamic economics, it has often imposed limitations on the broader study of economics. In comparison to its legal framework, the social structure of Islam and religious law exert a significant influence on the scope and scale of the economy. The failure to distinguish between Fiqh Muamalat and Islamic economics reveals a conceptual gap within the existing literature on Islamic economics (Kahf, 1995).

The study of history is also essential for Islamic economics, as it serves as a "laboratory" for understanding human behavior in economic contexts. As a social science, economics must draw upon historical data to conduct experiments and identify long-standing patterns in economic transformations. The history of economic theory and the history of economic entities—such as individuals and businesses—provide two crucial sources of insight into the development of economies over time (Kahf, 1995).

Examining the evolution of economic thought within Islam not only helps trace the origins of modern economic theories but also allows for a deeper understanding of the trajectory of Islamic economic thought. This dual perspective expands both the conceptual framework and practical applications of Islamic economics, enabling its refinement and relevance in the contemporary world (Kahf, 1995).

### **Approaches in Islamic Economics**

Islam recognizes the importance of objectivity in knowledge. According to Kuntowijoyo (Kuntowijoyo, 2006), genuinely objective knowledge does not necessitate Islamization. Muslims must exercise careful judgment in determining what should be Islamized and what should not. When discussing truly objective and valid knowledge, there should be no concern. Kuntowijoyo's concept of objectification, which involves transforming internal values into objective categories, can be readily applied to enhance the transparency of Islamic economic development. Objectification, as described by Kuntowijoyo, is the process by which subjective values are externalized into universally recognizable, objective frameworks.

Objectification is achievable through rational behavior and can be enjoyed by individuals regardless of their adherence to core values. For example, addressing the Islamic prohibition on usury can be effectively achieved through the implementation of profit-sharing systems that are not only more economically beneficial but also widely accepted. It is important to note that objectification, as understood in this context, should not be equated with secularization or the objectification of Western knowledge. The aim is for this process to make the Islamic economic perspective clearer and more acceptable to a broader audience.

Naqvi (Naqvi & Anam, 2003) highlights that the fundamental distinction between Islamic economics and positive (neo-classical) economics lies in its emphasis on integrating religiously grounded ethical standards into a cohesive analytical framework. To assert the objective validity of a claim in Islamic economics, it is not enough for the theory to be philosophically sound from an Islamic viewpoint; it must also be applicable to real-world situations. This is because claims, whether factual or value-based, can only be validated through the "facts" accepted by society. Two essential concepts support this validation: the existence of God and the tangible, real-world society (as opposed to an idealized Islamic society). Both of these ideas, in their capacity to be empirically proven true or false, underpin Islamic economic claims.

The moral and ethical principles that differentiate Islamic economics from other economic systems, such as capitalism and socialism, are not only based on the same fundamental economic principles shared across systems, but they are also concretely shaped and serve as the driving forces behind the system. These ethical values, which include accountability, benevolence, honesty, unity, balance (or justice), and freedom constrained by the rights of others, form the distinct character of Islamic economics (Mughits, 2003). While economic ethics falls within the domain of axiology, it is crucial to incorporate it into epistemology to strengthen the legitimacy of Islamic economics. Unlike the capitalist model, which prioritizes material profit at the expense of moral principles, Islamic economics advocates for an integrated understanding of both practical business and ethical dimensions (Mughits, 2003).

According to Ugi Suharto (Suharto, 2004), Islamic economics and conventional economics are inherently interconnected and cannot be separated. Conventional economic theories, both micro and macro, will continue to play a role within the framework of Islamic economics. To effectively Islamize the economy, three equitable approaches to conventional economics must be adopted. These approaches are as follows:

- a) Negative Approach: This approach asserts that not all concepts from conventional economics can be incorporated into Islamic economics. Certain aspects of conventional economic theory, particularly its most fundamental principles, must be rejected, as they are incompatible with Islamic teachings and cannot be reconciled with the Islamic framework.
- b) Integration Approach: While Islam rejects elements that are inconsistent with its teachings, it also acknowledges and accepts the value found in other systems. Therefore, aspects of conventional economics that align with Islamic principles should be incorporated into Islamic economics. This integration approach is a core element of the Islamization process.
- c) Value-Added Approach: Islamic economics has the potential to introduce new values and enhance human well-being. At this stage, the goal of Islamizing the economy is to infuse Islamic teachings, which bring unique perspectives absent from conventional economics, thereby enriching and improving the economic system.

## **E. CONCLUSION AND SUGGESTION**

Islamic economics has been intrinsically linked with morality since its inception and throughout its development, making it impossible for the study of Islamic economics to be grounded in a value-neutral scientific philosophy. A fundamental principle that must be agreed upon from the outset is that economics, as a discipline, is rooted in social science rather than in the exact sciences. This implies that economic issues are primarily concerned with human beings, rather than natural phenomena, and cannot be equated with the problems of animals, plants, or other living entities treated as commodities. Therefore, the integrative-interconnectivity paradigm in Islamic economics must be revitalized. Interdisciplinary approaches will better equip Islamic economics to address the complex challenges of the modern world.

In the Islamic framework, one key aspect of muamalat (human transactions) is economic activity, which is regulated by sharia. However, sharia, morality, and faith are not separate but are interconnected and complementary. This interconnection is the essence of Islam's universality. Consequently, the transformation of society into one that embodies Islamic culture is a primary goal of economic development in Islam. Society must

"internalize" Islamic beliefs, meaning that Islam should become the guiding norm in everyday life. This requires that all stakeholders in the development of Islamic economics contribute products and systems that are open, ethically sound, and beneficial to all, regardless of race, nationality, religion, or ethnicity, in alignment with the principle of rahmatan lil-'alamin (a mercy to all of creation).

## Acknowledgments

We would like to express our deepest gratitude to all the individuals and institutions that contributed to the completion of this research. We are grateful for the support and resources provided by the academic community, which facilitated the development of this paper. Finally, we extend our appreciation to our families and friends for their continuous encouragement and understanding, without which this work would not have been possible.

## BIBLIOGRAPHY

- Bagir, Z. A. (2005). *Integrasi ilmu dan agama: interpretasi dan aksi*. Mizan Pustaka.
- Dua, M. (2008). *Filsafat Ekonomi: Upaya Mencari Kesejahteraan Bersama*. Yogyakarta: Kanisius.
- Furqani, H., & Haneef, M. A. (n.d.). *Methodology of Islamic Economics: Typology of Current Practices, Evaluation and Way Forward*.
- Kahf, M. (1995). *The Islamic Economy: Analytical of The Functioning of The Islamic Economic System*, terj. Machnun Husein, "*Ekonomi Islam (Telaah Analitik Terhadap Fungsi Sistem Ekonomi Islam)*", Yogyakarta: Pustaka Pelajar.
- Kuntowijoyo, I. S. I. (2006). *Epistemologi. Metodologi Dan Etika*, Yogyakarta: Tiara Wacana.
- Mughits, A. (2003). *Epistemologi Ilmu Ekonomi Islam (Kajian atas Pemikiran M. Abdul Mannan dalam Teori dan Praktek Ekonomi Islam)*. *Hermeneia*, 2(2).
- Muslih, M. (2021). *Filsafat Ilmu; Kajian atas Asumsi Dasar, Paradigma, dan Kerangka Teori Ilmu Pengetahuan* (Vol. 1, Issue 1). Lesfi.
- Naqvi, S. N. H., & Anam, M. S. (2003). *Menggagas Ilmu Ekonomi Islam*. Pustaka Pelajar.
- Noeng, M. (2000). *Metodologi Penulisan Kualitatif*. Yogyakarta: Rake Suarsiah.
- Rafikov, I., & Akhmetova, E. (2020). Methodology of integrated knowledge in Islamic economics and finance: collective ijtihād. *ISRA International Journal of Islamic Finance*, 12(1), 115–129. <https://doi.org/10.1108/IJIF-02-2019-0034>
- Suharto, U. (2004). Paradigma Ekonomi Konvensional dalam Sosialisasi Ekonomi Islam. *Dalam ISEFID Review*, 3(3).
- Suriasumantri, J. S. (1993). *Filsafat ilmu: Sebuah pengantar populer*.
- Syafiq, H., & Syarifah, L. (2023). Islamic Economics Seen from the Philosophy of Science and Integration-Interconnection Paradigm. *Global Review of Islamic Economics and Business*, 10. <https://doi.org/10.14421/grieb.2022.101-07>
- Yustika, A. E. (2010). *Ekonomi Kelembagaan: Definisi, Teori, Strategi*, Edisi 2. Malang: Penerbit Bayumedia.

*Sjafruddin, Hamzah Zainuri, How Should the Paradigm of Islamic Economic Research Be Understood?*

Zaman, A. (2013). LOGICAL POSITIVISM AND ISLAMIC ECONOMICS. In *International Journal of Economics, Management and Accounting* (Vol. 21, Issue 2).