


## REVOLUTIONIZING NATIONAL INCOME THROUGH ISLAMIC ECONOMICS TO ACHIEVE GLOBAL JUSTICE

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Article Info	ABSTRACT
<p><b>Article history:</b> Received Aug 21, 2024 Revised Sep 01, 2024 Accepted Sep 11, 2024</p> <p><b>Keywords:</b> Islamic economics, national income, sharia principles, distributive justice, social welfare</p>	<p><b>Background:</b> National income in Islamic economics integrates principles of distributive justice, halal economic activities, and social welfare, aligning with sharia principles. Conventional economic approaches to national income measurement, such as Gross National Product (GNP), often overlook equitable income distribution and environmental impacts. <b>Knowledge Gap:</b> However, there is a lack of comprehensive understanding regarding how national income is conceptualized and measured within the framework of Islamic economics. <b>Aims:</b> This study aims to bridge this gap by exploring the concept of national income from an Islamic economic perspective, emphasizing the role of sharia principles in economic management. <b>Results:</b> The research reveals that, unlike conventional approaches, Islamic economics measures national income through economic activities that comply with sharia, including consumption, investment, and international trade, with a strong emphasis on justice, social welfare, and support for the economically disadvantaged. The study also underscores that Islamic economics incorporates spiritual and humanitarian dimensions in assessing economic well-being. <b>Novelty:</b> This research provides a fresh contribution to the literature by highlighting the significance of integrating sharia principles into the conceptualization and measurement of national income, an area previously underexplored. <b>Implications:</b> The findings suggest that adopting an Islamic economic perspective on national income could lead to more sustainable and meaningful economic outcomes, promoting equitable distribution, avoiding riba (usury) and speculation, and prioritizing the welfare of the weak. This study underscores the potential of Islamic economic principles to contribute to more just and prosperous economic systems.</p> <p>This is an open-access article under the <a href="#">CC-BY 4.0</a> license.</p> 

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## INTRODUCTION

National income is a concept based on the principles of ethics and justice in the distribution of wealth and resources. In Islamic economics, national income is seen as the result of productive and fair efforts that include economic activities carried out in accordance with sharia principles. The main principle of Islamic economics is justice in

income distribution, where national income must be distributed equally among all members of society to meet basic needs and improve common welfare [1].

The Net National Product (PNN) is the GNP minus depreciation. Depreciation reflects a decline in the value of fixed assets due to use and age. PNN provides a more realistic picture of the income that can be used for consumption and investment, as it removes components used to replace depreciating assets. By understanding these three indicators, we can better assess the economic performance of a country and the welfare of its people as a whole [2].

In a broader sense, GDP includes all the revenue generated by companies and individuals, regardless of nationality, that operate within the boundaries of key indicators that provide an overview of a country's economic health. This measurement is important in analyzing economic performance, including the relationship between output, income, and expenditure [3]. However, GDP also has weaknesses, such as not taking into account the fair distribution of income and not taking into account the environmental impact of economic activities [4]. Overall, because it does not take into account factors such as health, education, and happiness. Therefore, in evaluating a country's economy, it is important to use other indicators that are more holistic and inclusive [5].

The calculation of Gross National Product (GNP) as an indicator of the level of welfare is often the object of criticism in the perspective of an Islamic economy, which is fair and economically sustainable. By promoting responsible consumption and benefiting individuals and society, Islamic economics seeks to build a stable and sustainable economic foundation in the long term. In addition, this principle also has the potential to influence consumer behavior to be more aware of the moral and spiritual aspects in each of their economic transactions, thereby strengthening the values of social justice and blessings in daily economic life [1].

The concept of zakat in Islamic economics is an important instrument to ensure a fair distribution of wealth and equal distribution of opportunities. Zakat is not only a religious obligation but also a means of income redistribution that has a significant impact on the welfare of the community. In addition, Islamic economics emphasizes the importance of ethics in doing business and economic transactions, with principles that govern all aspects of economic life fairly, honestly, and without harming others [6].

The holistic approach of Islamic economics also pays attention to environmental aspects in economic activities. The concept of hifdz al-ma'ruf (maintaining goodness) teaches Muslims to be trusted by Allah SWT. Thus, economic growth in Islamic economics, environmental sustainability, and comprehensive social welfare [2].

The Islamic economic approach emphasizes that the alignment between economic activities and sharia principles not only results in financial benefits but also promotes social justice and general welfare. By ensuring that all economic activities are met, it is hoped that a stable, sustainable economic environment can be created, and have a wide positive impact on the entire community [7].

Islamic economics places moral and spiritual values as the main foundation in all economic activities. Principles such as justice, togetherness, and social responsibility are

the cornerstones of economic decision-making. In the context of consumption, Islamic economics teaches to avoid waste, luxury, and waste, as well as to prioritize consumption. Investment must follow sharia principles, by prioritizing projects that benefit the community at large and strengthen the economic independence of the people [8].

The concept of zakat is also an integral part of the understanding of national income in Islamic economics. Zakat that is entitled to receive, such as the poor, widows, orphans, and others. Through zakat, general national income and social welfare [9].

From the perspective of Islamic economics, national income must also be generated through halal activities and stay away from all forms of usury, speculation, and economic practices that are contrary to sharia principles. This underscores the importance of justice and cleanliness in creating sustainable national income and blessings for the community [3].

In addition, national income in Islamic economics also emphasizes the importance of economic activities that provide benefits to society as a whole, not just for the benefit of certain individuals or groups. The principles of social justice and siding with the weak are the foundation in the distribution and use of national income in the context of Islamic economics [2].

National income in the perspective of Islamic economics is not just a measure of a country's wealth, but also a tool to achieve social, economic, and spiritual goals in accordance with Islamic teachings. By basing on the principles of justice, cleanliness, and favoritism to the weak, national income in an Islamic economy is expected to bring prosperity [1].

The holistic approach of Islamic economics also pays attention to environmental aspects in economic activities. The concept of hifdz al-ma'ruf (maintaining goodness) teaches Muslims to be trusted by Allah SWT. Thus, economic growth, environmental sustainability, and comprehensive social welfare [1].

## METHODS

The researcher presents comprehensive and in-depth information on the concept of national income in the context of Islamic economics. The literature study allows the author to explore various perspectives and theories that exist regarding National Income in the context of Islamic economics. Thus, this research can make a new contribution to Islamic economic literature, especially in terms of understanding the relationship between the concept of national income and Islamic economic principles.

The descriptive approach allows researchers to describe the existing phenomenon in more detail and detail, without conducting in-depth interpretation or analysis. It is important to gain a clear understanding of the concept of National Income in the Perspective of Islamic Economics so that it can provide a solid foundation.

Thus, through literature study methods and descriptive approaches, Islamic Economic Perspectives, as well as making valuable contributions to the development of Islamic economic theory and practice as a whole.

## RESULT AND DISCUSSION

Conventional measurement of national income is very important in analyzing the economic health of a country. This method involves several approaches, including production, income, and expenditure approaches. The most commonly used approach is the expenditure approach, which results in Gross National Product (GNP). This includes the number for [3].

In this context, household consumption plays an important role, representing a large part of GDP, and household income, after deducting taxes, is called disposable income [2].

Waste, luxury, and redundancy are not encouraged. Government spending in the Islamic economy must also be carefully considered, prioritizing the needs of the community and fair redistribution [1].

In addition, the concept of zakat in Islamic economics is an important instrument to ensure a fair distribution of wealth and equal distribution of opportunities. Zakat is not only a religious obligation but also a means of income redistribution that has a significant impact on the welfare of the community [6].

Investment is a key component in the measurement of national income, which reflects the decisions of companies and households to invest in projects that are considered profitable [4]. This decision is influenced by a variety of factors, including interest rates and projected potential returns on investment. In this context, investment variables provide an overview of the level of confidence and economic stability of a country. A high level of investment is often considered a positive indicator in assessing economic performance [9].

However, although this conventional approach provides a broad picture of a country's economic condition, there are also criticisms of this method [10]. Some critics highlight the inability of this method to fully account for aspects such as unequal distribution of income, environmental impact, as well as overall quality of life. Therefore, while conventional approaches remain the main cornerstones in economic analysis, it is important to also consider alternative approaches that are more holistic and inclusive in assessing a country's economic well-being [1].

Government expenditure variables are an important element in measuring national income, which includes spending on various purposes such as employee services, infrastructure development, and transfers to households. This expenditure can directly increase people's disposable income, drive consumption, and investment. On the other hand, in calculating net exports, the value of exports is subtracted by the value of imports in a period of time. However, in practice, imports are often used as a factor in domestic production, so accurate calculations of net exports are important in measuring a country's economic performance [8].

Conventional approaches to measuring national income, such as Gross National Product (GNP), are often the subject of criticism because they are considered incapable of reflecting the welfare of society as a whole. This critique is becoming increasingly relevant in the context of Islamic economics, where the *falah* principle, or holistic well-

being that includes spiritual aspects, takes center stage. In this perspective, the measurement of economic welfare is not only reviewed in terms of material, but also in terms of spirituality and social justice, which requires a more holistic approach in measuring economic performance [7].

Therefore, in evaluating the economic performance of a country, it is important not to rely solely on conventional approaches. There needs to be a more comprehensive assessment that covers broader aspects of welfare, including spiritual aspects and social justice [4], the state, and the welfare of society as a whole [2].

In the context of Islamic economics, sharia principles are the main guide in regulating key economic variables such as consumption, investment, government spending, exports, and imports [10]. Consumption must be directed to halal goods and services, by minimizing waste and unproductive consumptive behavior. This principle promotes social and ethical responsibility in the use of economic resources. Similarly, investment in the Islamic economy must comply with the principles of justice and prosperity of the community, as well as stay away from the practice of usury and harmful speculation [9].

Islamic economics is seen as an integral part of the all-inclusive Islamic religion reflecting universal values derived from Islamic teachings, such as justice, equality, and social responsibility. This leads to an understanding that economics in Islam is not only about seeking personal gain but also about creating a just, just, and economically sustainable society, in accordance with the vision that is fought for in the teachings of Islam as a whole [2].

## CONCLUSION

From the results of this study, it can be concluded that national income in the context of Islamic economics is a concept that focuses on justice, togetherness, and social responsibility. Conventional approaches to measuring national income are often the object of criticism because they do not consider broader aspects of welfare, such as the fair distribution of wealth and the environmental impact of economic activities. In Islamic economics, national income must be generated through halal activities and in line with sharia principles. The distribution of national income must also ensure the welfare of society as a whole, by paying attention to aspects of spirituality, social justice, and environmental sustainability.

Thus, this study emphasizes the importance of applying Islamic economic principles in calculating and distributing national income so that a stable, sustainable, and blessed economic environment can be created for the entire community.

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