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## IMPLEMENTATION OF NORMATIVE ECONOMY ON BUSINESS ACTIVITY IN THE PERIOD OF RASULULLAH SAW

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### **Abstract**

Nowadays not all entrepreneurs implement the concept of normative economy in conducting their business activity, particularly Muslim entrepreneurs which it relates to Islamic Economic Principle. The purpose of this article is to analyze the implementation of normative economy on business activity in the period of Rasulullah SAW. This article uses qualitative methods with the analysis of literacy study approach. The result of this paper shows that Prophet Muhammad SAW has carried out business activities based on normative economic concepts that emphasize ethics in conducting business. As the Prophet said; I have been sent to perfect the moral standard, narrated by Abu Hurairah. The conclusion of this article is that ethics is a principal aspect in business since according to Islam those economic activities cannot be separated from ethics. Thus, it is essential for Muslim entrepreneur to implement ethics on their business activity.

**Keywords:** Normative Economy, Business Ethics, Business of Rasulullah SAW

### **A. Introduction**

Everyone experiences the economy. Everyone contributes to it, one way or another and business is a part of economic activity. So that, whether men are not economic experts or not in economic major, they will always have the opportunity on running business. The purpose of running business actually for making a living, but

things that should be emphasized that every business should be followed by ethics<sup>1</sup>. In fact, we undoubtedly acknowledge that the circumstance of business activity has given the sign of fraudulent, unfairness, as well as much other deceitfulness. For instance, in a global case. Enron is the seventh largest company in the US and the case involved a well-known public accounting firm, KAP Arthur Andersen and allegedly some White House officials. Enron was an energy giant based in Houston, USA, which has about 21,000 employees. Enron faked his company's financial statements by noting a profit bubble of up to US\$ 600 million during 1997-2000 while in fact the company was losing money. The case left Enron with almost \$ 31.2 billion in debt. Before the scandal was uncovered, Sherron Watkins had reported it to CEO Kenneth Lay. But, then the report was brushed off and he got fired instead<sup>2</sup>.

Now let's take a look to a local economic case which occurs recently where the case is related to the hoarding of masks as a result of the high demand for masks which is caused by the global pandemic affected in almost all the world. News related to the issue of mask hoarding as a result of the spread of the Corona virus in another national media reported that the Jakarta Metropolitan Police conducted monitoring regarding the distribution of masks on the market in DKI Jakarta and surrounding areas following the presence of 2 Indonesian citizens from Depok positive virus corona. The police ensure that they will take firm action against the hoarding of masks that utilize the corona virus. This is the police's attention that the masks are currently difficult to find in the field, the price then rises, there are indications that there are individuals who try to benefit themselves by hoarding the masks and we investigate. Metro Jaya Police Head of Public Relations said Commissioner Yusri Yunus told reporters at the Jakarta Metropolitan Police, South Jakarta, 2020. Metro Police itself has previously dismantled one of the factories that hoard and produce illegal masks in Cakung, North Jakarta. He suspects there are still several parties who carry out similar practices<sup>3</sup>.

Based on news on one of the national media reported that the Metro Jaya Police Syber Team will be deployed to oversee the indication of the accumulation of masks by online stores. Yusri said that profit taking by the hoarders was against the law. The hoarding action has also made the mask's price reach 20 times the normal price. He said: hoarding for profit is a criminal offense as regulated in the Law on Consumer Protection<sup>4</sup>.

In addition to the hoarding case, there are also cases of fraud that occurred in Indonesia recently, the online *Arisan* fraud. An online media reported that the police arrested a suspect of Online *Arisan* Investment in Gunung Sitoli Explained; this fraud case began when the victims were offered an online *Arisan* business through social media Facebook under the name "Arisan Tolong Menolong". This article has been published in Kompas with the title "Police Arrest Suspect of Online Arisan Investment in Gunung Sitoli"<sup>5</sup>.

<sup>1</sup> Standford Jim, *Economics For Everyone*, Pluto Press (London, 2008).

<sup>2</sup> 'Learning From The Mistakes Of Big Companies That Lost Billions Of Dollars Due To Fraud', *Integrity-Indonesia.Com*, 2018 <<https://www.integrity-indonesia.com/blog/2018/01/03/learning-from-the-mistakes-of-big-companies-that-lost-billions-of-dollars-due-to-fraud/>>.

<sup>3</sup> Matius Alfons, 'Polda Metro Pantau Peredaran Masker Di Tengah Kasus Virus Corona Di RI', *DetikNews*, 2020.

<sup>4</sup> Rinaldo, 'Polda Metro Deteksi Indikasi Penimbunan Masker Oleh Toko Daring', *Liputan6.Com*, 2020.

<sup>5</sup> Hendrik Yanto Halawa, 'Polisi Tangkap Tersangka Penipuan Investasi Arisan Online Di Gunungsitoli', *Kompas.Com*, 2020

One of other business fraud case that was quite shocking Indonesian society at that time was a case of Umrah pilgrim fraud which was acted by one of the well-known umrah business companies "First Travel" and any other agencies that were revealed thereafter. It is unfortunate that a business that has a purpose in the implementation of worship that should reflect good morals and ethics in doing business because it is related to the implementation of religious worship, actually practices deception. The following is the result of the coverage of one of the news related media, "Andika Surachman, Anniesa Devitasari Hasibuan, and Siti Nuraidah Hasibuan alias Kiki. Who would have thought? Their life which used to be twisted is now changing 180 degrees. Every day sleeping with prisoners on a mat, and eating with improvised side dishes and rationed as well. That's the risk that must be accepted by them. As it turned out, their wealth was obtained from the results of running a Umrah travel agency which concealed as fraud<sup>6</sup>.

It seems like every year not only a nation but also the world is getting busier in terms of fraud cases as well as cybercrime. Fraudulent, unfairness, and many other deceitfulness that nowadays we face in economy or business activities caused by human behavior<sup>7</sup> According to Smith's classical thinking about The Nature of Humans' Greedy. Smith and Mandeville believe that human nature is greedy as well as selfish. Although they have the same assumptions regarding the nature of humans greedy, their conclusions are different. According to Mandeville human greed and selfishness will have a negative socio-economic impact on society. That's why to avoid this effect government intervention in the economy is needed. Instead Smith is not anti-human nature; he instead considers that these traits will spur economic growth and overall development. Smith said, as long as there is free competition, selfishness will not cause harm because anyone who wants profit in the long run (greedy) will never increase profits above the market price level<sup>8</sup>.

In fact we can see for ourselves around us that most people who have high motives in maximizing profits in other words are greedy, tend to cause a lot of chaos in the business world. The fact is that along with the growth of the market, fraud in the market has also increased. Indonesia has always been an attractive market for the growth of e-commerce and online shopping markets because it has a large youth population and strong economic growth. The number of online shoppers in Indonesia is growing every year along with the growing number of e-commerce. FT. The Confidential Report reports that online shoppers in Indonesia grew by 11 million in 2017, bringing the total to 35 million online shoppers compared to the total in 2015 of 24 million shoppers. Even so, data from Digital Commerce 360 in 2015 showed that fraud occurred as much as 35% of total e-commerce transactions. In Indonesia, the Cyber Crime Directorate under the Indonesian National Police Criminal Investigation Agency stated that consumer losses caused by e-commerce fraud reach 2.2 billion

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<<https://regional.kompas.com/read/2020/01/23/20365901/polisi-tangkap-tersangka-penipuan-investasi-arisan-online-di-gunungsitoli?page=all>>.

<sup>6</sup> Ady Anugrahadi, 'First Travel, Kasus Penipuan Jemaah Yang Menghebohkan', *Liputan6.Com*, 2018.

<sup>7</sup> Candace Archer and Stefan Fritsch, 'Global Fair Trade: Humanizing Globalization and Reintroducing The Normative to International Political Economy', *Review of International Political Economy*, 17.1 (2010), 103-28.

<sup>8</sup> Deliarnov, *Perkembangan Pemikiran Ekonomi* (Rajawali Pers, 2014).

rupiah. E-commerce business itself is closely related to fraud actions<sup>9</sup>.

Apart from human nature of greedy which has caused a lot of chaos in economic activities, other things that cause fraud in economic activity are stated by The father of social science, Karl Heinrich Marx, he asserted that human behavior is dependent upon financial matters, economics at large. The renowned German sociologist, socialist, philosopher, and politician, attempted to closely examine the nature of individuals "conditioned" under a materialistic living environment<sup>10</sup>. Materialism which is the main goal in maximizing satisfaction is one of the motives that drive businessmen to cheat in business activities. The weak understanding of the community towards business ethics that is relevant to the concept of normative economy, as well as the lack of awareness of fair, honest behavior and responsibility in economic activities, further worsens the economic condition of the community and disrupts business activities within the wider community.

If this kind of behavior continues to be ignored, then this will not only result in general economic chaos in society, but also have an impact on the destruction of individual personality/ character specifically, where the individual indirectly ignores business ethics that are relevant to the normative economy by being disregarding attitudes fair, honest, responsibility, etc just for the sake of achieving personal goals for maximum profit without thinking about the good of other communities in general, as if Muslim businessmen should have implemented a normative economy on their business activity as exemplified by the Prophet Rasulullah SAW in his time.

Based on the background of the problems outlined above, this is a necessity for us as individuals or groups who have concentration in economics to build awareness related to business ethics which is the most important thing rather than just prioritizing greed or one's own interests in order to achieve the desire to get the maximum profit, as the apostle period is a reflection and a good reference for businessmen to create an atmosphere of fair, honest and responsible business activities.

This research uses qualitative. Qualitative research is about immersing oneself in a scene and trying to make sense of it whether at a company meeting, in a community festival, or during an interview. Qualitative researches purposefully examine and make note of small cues in order to decide how to behave, as well as to make sense of the context and build larger comprehension claims towards the culture<sup>11</sup>. This research descriptively analyzes the normative economy on business activity in the period of Prophet Rasulullah SAW. According to related references, it is able to obtain the value of economic business according to Islamic perspective which had be done by Prophet Rasulullah SAW in his lifetime

This research uses the normative economics approach which is very closely related to ethics in the discussion of business ethics that influences human behavior as an agent in economic activity. This study will analyze the implementation of normative economy carried out by the Prophet in his lifetime. This research determines the limitation of the discussion on normative economic concepts that are relevant to business ethics during the time of the Prophet Muhammad, so that the description in

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<sup>9</sup> 'E-Commerce Fraud Di Indonesia: Pasar Bertumbuh, Kecurangan Meningkat', *Integrity Indonesia*, 2019 <<https://www.integrity-indonesia.com/id/blog/2019/04/23/e-commerce-fraud-di-indonesia-pasar-bertumbuh-kecurangan-meningkat/>>.

<sup>10</sup> Duane L. Dobbert and Thomas X. Mackey, *Deviance: Theories on Behaviours That Defy Social Norms* (California USA: An Imprint of ABC-CLIO, LLC, 2015).

<sup>11</sup> Sarah J. Tracy, *Qualitative Research Methods: Collecting Evidence, Crafting Analysis, Communicating Impact* (London: UK: Wiley-Blackwell, 2013).



this paper is focused on the topic without discussion related to government policy or discussion of the relevance of business ethics from various religions. So in the end this paper is expected to be able to rebuild public awareness, especially Muslim businessmen so that they will always imitate the Prophet's behavior in trading by prioritizing business ethics as a reflection of the concept of normative economy.

## B. Normative Economy<sup>12</sup>

Normative economy is a perspective on economics that incorporates subjectivity within its analyses. It is the study or presentation of "what ought to be" rather than what actually is. Normative economics deals heavily in value judgments and theoretical scenarios. So its normative economics which depends on value, beliefs, preferences, self-interest, and/ or the pursuit of economic goals. It is the policy side of economics and the process of improving the economy by pursuing economic goals<sup>12</sup>. Therefore, normative economics possess the robust tendency on ethics, and how ethical judgement hold a huge role in normative economy concept.

On another western source, it disclosed that the concept of normative economics is the discipline of ethical judgements concerning the economy, particularly regarding the distribution of commodities and the rights and the rule that lead to it<sup>13</sup>. Thus, when someone getting involve to economic activities, first; they must consider the ethical judgements in considering everything in economic decision, second; they must ponder the ethical judgements when it comes to the distribution of commodities which this will lead to the behavior of justice as well as honesty, third; when someone getting involved to economic activities, they must respect or grant the right of everyone who running the economic activity, which it means that everyone obtain what they should obtain in a fair way, fourth; the rule which manage the economic activities must be obeyed.

Furthermore, on a paper written by Serge-Christophe Kolm Maison, concerning normative economy, the criteria of micro justice as well as macro justice also used for basic rights and general principles in a term of global distribution<sup>14</sup>. Where the level of macro justice focuses on the needs of the society as a whole and concerns the structure and the development of the social order, while micro level justice focuses on the needs of the individual victim and concern the relationship among individuals<sup>15</sup>. From here it can be concluded that normative economy, either in micro scale or macro scale, it will always lead to the interaction of people around us while getting involved to economic activities as a social matter, that is why, it is essential as well as undeniable to consider the goodness as for general or human-being as a whole.

Economics is predominantly a normative field and it is not only describes the world but is frequently about how the world should be<sup>16</sup>. That is why in dealing with economic activities, everyone should notice what is right and what is wrong, even more because normative economy is a discussion of ethics, then it is a must for

<sup>12</sup> J. Shifa Fathima, 'Positive Versus Normative Economics: An Empirical Study', *Shanlax International Journal of Economics*, 3.1 (2014), 71-81.

<sup>13</sup> Serge Christophe Kolm, 'A Historical Introduction to Normative Economics', *Social Choice and Welfare*, 17.4 (2000), 707-38 <<https://doi.org/10.1007/s00355000053>>.

<sup>14</sup> Kolm.

<sup>15</sup> Christine Lillie and Ronnie Janoff-Bulman, 'Macro versus Micro Justice and Perceived Fairness of Truth and Reconciliation Commissions', *Peace and Conflict: Journal of Peace Psychology*, 13.2 (2007), 221-36 <<https://doi.org/10.1080/10781910701271283>>.

<sup>16</sup> Tomas Sedlacek, *Economics of Good and Evil* (United States of America: Oxford University Press, 2011).

economic man to not only concern about their own goodness but also to pay attention to the other people in their circumstance. As a result, normative economy should be a consideration of every economic actor in carrying out business activities because it is related to ethics and morals that should be a guideline in every business behavior because the impact of business behavior that is not based on ethics will only worsens the economic situation of society at large.

Normative economists are not driven exclusively by theoretical curiosity concerning how policies affect preference satisfaction. They want people to live better. Instead of permitting them to avoid any normative commitments, standard normative economics apparently offers them a way to scrutinize how to promote people's well-being, without making any dispute ethical commitments. At last, a conclusion from Daniel M. Hausman's paper, asserted that normative economics is exceptional. It is not just a collection of moral on economic issues. To the contrary, it is an unified theory of economic evaluation which focuses exclusively on the assessment of the efficiency of economic arrangements at amplifying the welfare of individuals<sup>17</sup>. Because it takes preferences to guide people's actions and at the same time to measure people's well-being, findings in positive economics regarding how economic institutions and policies bear on people's preferences have instantaneous normative entanglement.

### C. Business Ethic

Business Ethics is the behavior of entrepreneurs in running their business. All behaviors in economic activities always come from the implementation of the ethical and moral understanding of individuals who carry out business activities. Terry, in his writings explains the things that underline human behavior: The global picture created by this influential model is of a rational human being who makes decisions about how to act that are based on cost-benefit analyses of what would ensue from enacting the behavior in question. Other factors that influence behavior are thought to exercise that influence through the constructs that are included in the model. One such construct is the individual's conviction that acting in a certain way is right or wrong. This conviction that some forms of behavior are inherently right or wrong, regardless of their personal or social consequences is what is meant by the term moral norm<sup>18</sup>.

Human behavior is always determined by two things, namely its importance (profit) or its policy in determining right and wrong (ethics/morals). Economics is a social science that deals with society at large, so that its application to business activities always requires policies from businessmen. When business activities are accompanied by a good understanding and implementation of business ethics, it will have an impact on society at large and create a healthy and fair economic atmosphere. It is different if in business activities, an entrepreneur only prioritizes his own interests/profits without considering others for maximum profit then what will happen is only economic chaos as an example that we can obtain from business practices that do not prioritize ethical values in doing business. In the background of the problem, various business behaviors that have disrupted the country's economy have been described, this is because not implemented ethical values in doing business.

<sup>17</sup> Daniel M. Hausman, 'The Bond between Positive and Normative Economics', *Revue d'économie Politique*, 128.2 (2018), 191-208 <<https://doi.org/10.3917/redp.282.0191>>.

<sup>18</sup> Deborah J. Terry, *Attitude, Behaviour and Social Context: : The Role of Norms and Group Membership Applied Social Research* (United States of America: Lawrence Erlbaum Associates, 2000).

The following table describes other fraud practices that are detrimental to the economy of the country:

Table 1. Fraudulent Practices

No	Fraud Type	Number of Cases	Percentage
1	Corruption	178	77%
2	Asset Misappropriation	41	19%
3	Financial Statement Fraud	10	4%

Source: AFCE 2016

ACFE Global reported that *financial statement fraud* is *fraud* the most detrimental. This is because in Indonesia the crime of financial statements has not been widely revealed, such as crime of information fraud on the stock exchange, as well as crime due to fraud of tax information. Also reported, that acts of corruption can be detected in a span of less than 12 months. Acts of corruption can be detected through reports from internal company employees themselves<sup>19</sup>. Citing the words of Simon Blackburn *Ethics: a Very Short Introduction*<sup>20</sup> has a useful chapter on some of the factors that may contribute to the 'widespread feeling that morality is dead'. Entitled 'Seven Threats to Ethics', it considers 'the death of God', 'relativism', 'egoism', 'evolutionary theory', 'determinism and futility', 'unreasonable demands', and 'false consciousness'. Ethics relevant to the teachings of religion, increasingly abandoned by society as a dilemma of secular understandings of materialism and individualism.

The above table is a small part of the many examples of business practices that are carried out without ethics. The impact is certainly detrimental to others and even society in general. This is because some business people only prioritize their own interests without consideration for the good of others. It is an obligation for business people, especially Muslims, to reflect on the business activities of the Prophet who always prioritize ethics and morals in business which is a discussion in the concept of normative economy.

From the above narration, it can be concluded that business ethics is an economic activities particularly the business dealings which pay attention to the norms, ethics, or values on running business. Thus, every decision the manager or staffs working in the business company always reflect the moral standard in every action and decision made on the business. Each elements working on the business company knows well what they should do and what they should not do, for instance, they will not undertake cheating, corruption, as well as fraudulent on others because they know it is contradiction to the ethics or moral brought by the concept of normative economy. And it is just the same to the period of Rasulullah, when Prophet monitoring the market so that the elements in the market, namely the sellers and purchasers will follow the rule of normative economy and will not commit a harmful, illegal, or immoral actions, such as being dishonest or deceive the purchasers.

Therefore, the dimension of normative economy in manners can be mentioned, such as: to be justice, to be trustworthy, to be kind, to obey the rules, to be benevolent, and to be considerate, so forth. Crucial to the existence of normative economics is the fact that economics takes as its object interactions among people and the consequences of these interactions. Because the subject matter concerns human actions, it is possible

<sup>19</sup> Bina Nusantara University, 'Overview Fraud Di Indonesia', *Bina Nusantara*, 2018 <<https://maks.binus.ac.id/2018/10/02/overview-fraud-di-indonesia-2/>>.

<sup>20</sup> Simon Blackburn, *Ethics: A Very Short Introduction* (New York: Oxford University Press, 2001).



to pass practical judgment on it. Thus, the above dimension of normative economy in manners is a must. Business ethics not only perform by the people on the market, or the manager and staffs working on a company, but also must be guided by the government, which provide the rules on economic activity to meet justice, kindness, trustworthy, etc. as Daniel Husman said on his paper that economists regarded economics largely as a normative inquiry into how government ought to act in order to further (or not to stand in the way of) economic prosperity and growth. Furthermore, he asserted that the government determines which policies are most efficient, which policies most increase welfare and the policy-maker then addresses the tradeoffs between increasing welfare and defending other values. The characteristics economics welfare reflects ethical and methodological choices. Although welfare is obviously very important, so is freedom, the protection of rights, and the preservation of social solidarity. And these are necessary to be implemented by everyone in following the guidance of business ethics.

Consequently, it is a responsibility of everyone in dealing with business ethics. The government will set the rules as what should be done and what should not be done in the market by the sellers as well as the purchaser, such as not committing fraudulent, deception, hoarding, accumulation, and many more which will lead to distortion in market, and caused injustice behavior which contradict to business ethics. The same case for the manager in a company will set the rules to be followed by everyone on the company so that it will form the working culture which appropriate to business ethics.

#### D. Business of Rasulullah

Islam is a religion that has a holistic dimension. Islam as a religion, not only regulates the issue of worship/*mahdhah*, but also regulates other aspects of life. Islam thus regulates not only the vertical relationship between man and his God but also the horizontal relationship between humans and other creatures. Likewise with the economic problems included in it, as part of a horizontal relationship between people in the economic field<sup>21</sup>. Business is part of economic activity; business in the Qur'an always aims for two advantages, namely worldly benefits and *ukhrowi*. Worldly business or commerce is contained in a number of special verses that discuss the commercial paragraph. This includes an explanation of buying and selling, that is, if done in cash, then it must be based on the willingness of each. If it is done not in cash, then there is a guideline for writing the transaction, accompanied by two witnesses and does not reduce the nominal amount of the obligation that must be paid<sup>22</sup>.

The Prophet was a successful entrepreneur in his time; almost all of his close relatives were traders. The blood of the merchant in the Prophet had flowed from his grandfather Hasym bin Abdul Manaf who descended to Abdul Muttalib his grandfather flowed into the blood of Abdullah the father and also to his uncles, such as Sayyidina Abbas and Abu Talib. Thus also relatives at the level of uncles like Abu Sufyan. His cousins and close friends, such as Ali bin abi Talib, Abu Bakr, Umar, Uthman, Abdurrahman bin Auf and Suhaib A-Rumi, were all very successful and independent traders and created many jobs for the community<sup>23</sup>.

<sup>21</sup> Masyhuri, *Teori Ekonomi Dalam Islam* (Yogyakarta: Kreasi Wacana, 2005).

<sup>22</sup> Fauzia and Ika Yunia, *Etika Bisnis Dalam Islam* (Jakarta: Kencana Prenada Media Group, 2013).

<sup>23</sup> M.Syafii Antonio, *Muhammad The Super Leader Super Manager* (Tazkia Publishing, 2010).

Prophet Muhammad SAW was called Al-Amin because he had high credibility. In the world of entrepreneurship, trust is the greatest thing<sup>24</sup>. The element of honesty and trust animates trading practices. Business skills and morals are two things that run simultaneously. The Prophet brought a truly clean, ethical business spirit and bright prospects. The Prophet did not just say but also gave an example so that the Prophet managed to become a successful entrepreneur in his day<sup>25</sup>. Furthermore, Muhammad is a person whose loyalty is not in doubt, not only to the merchant who is his boss but also everyone who interacts with him, including with customers when he trades. For him paying attention to customers is not much different from paying attention to yourself. The customer's loss is his loss and customer satisfaction is his satisfaction. When there is a defective item he never hides. He never sells goods above the general price<sup>26</sup>.

The Prophet's behavior in doing business is a good reference for business people, especially Muslim business people. The halal business and the income obtained is a huge thing and very important because it will bring a very big impact, both for yourself, family, companies, state institutions and the social life of the community. That is why efforts to obtain halal sustenance are mandatory. Both in terms of objects, transactions and how to get them<sup>27</sup>. Therefore, looking at the business phenomena around us that are now colored by fraudulent acts, unfairness, as well as many other deceitfulness, we can understand that the acquisition of assets through fraudulent actions is not permissible in business activities.

In behavior<sup>28</sup> the Prophet reflects his character (ethics). If business people care about ethics, it is predicted that they will be honest, trustworthy, fair, always looking at the interests of others, etc<sup>28</sup>. In fact, doing business fairly is the Prophet's behavior; in addition to the honest nature of the Prophet is a fair figure of the merchant in making business agreements. Fair is a basic principle in every economic activity. Even two things that must be the keywords of the orientation of the Islamic financial system are development and justice<sup>29</sup>.

It can be categorized as some ethical guidelines in business which have been exemplified by the Prophet Muhammad<sup>30</sup>; honesty, helpful or benefit to others, no cheating, must not vilify other people's businesses, do not hoard goods, not monopolizing, selling only halal business commodities not illicit goods, business is free from usury, business is carried out self-willingness without coercion and paying wages before the employees sweat dry. Some characters that must be possessed by Muslim entrepreneurs<sup>31</sup> are to be truthful, to be honest, to be benevolent and to be considerate.

<sup>24</sup> Richmoslem Abdollah and Laode Masihun, *Rasulullah Business School* (Jakarta: PT. Santri Ikhwanur Rasul, 2012).

<sup>25</sup> Yusuf Mansur, *Business Wisdom of Muhammad SAW: 40 Kedahsyatan Bisnis Ala Nabi SAW* (Bandung: PT Karya Kita, 2008).

<sup>26</sup> Richmoslem Abdollah and Laode Masihun, *Rasulullah Business School* (Jakarta: PT. Santri Ikhwanur Rasul, 2012).

<sup>27</sup> Muhammad Syafii Antonio and Tim Tazkia, *Ensiklopedia Leadership & Manajemen Muhammad SAW: The Super Leader Super Manajer* (Jakarta: Tazkia Publishing, 2012).

<sup>28</sup> Muhammad Djakfar, *Business Ethics: Capturing the Spirit of Sky Teaching and the Moral Message of Earth's Teaching* (Jakarta: Spreader Plus, 2012).

<sup>29</sup> M. Umer Chapra and Habib Ahmed, *Cooperate Governance: Lembaga Keuangan Syariah* (Jakarta: PT. Bumi Aksar, 2008).

<sup>30</sup> Baidowi and Aris.

<sup>31</sup> Abul Fadl Mohsin Ebrahim, 'An Insight In Ti Islamic Business Ethics', *Arabian Journal of Business and Management Review*, 2.9 (2014).

In regard to the practice of hoarding that is increasingly prevalent among the society today has also been the focus of the prophet. In the hadith of Muslim history, the Prophet explicitly forbids the practice of fraudulent trading<sup>32</sup>. Hoarding practices are generally prohibited and prevented because they constitute greed and evidence of moral ugliness and make it difficult for humans, especially in the economic field. The impact of hoarding practices can disrupt the economic situation because of the high cost of basic goods that are human needs. And in the end the practice of hoarding can damage the market system that is already running normally.

Likewise in marketing activities, the prophet always applies Islamic values in carrying it out. But the marketing practices that occur around us are already in conflict with Islamic values and the teachings of the Prophet in trading. In the study of Islamic economics, this is called the concept of sharia marketing, which is a way to market goods or services that prioritize values that glorify justice and honesty. Look at the prophet Muhammad SAW who in his life carried out trade that emphasized the character and nature of the prophet in trading. The Prophet has shown how to trade that adheres to truth, honesty and trustworthiness while at the same time getting optimal benefits<sup>33</sup>. In this case, spiritual marketing is the highest level. People do not simply calculate profit or loss, not too influenced by things that are worldly. The call of the soul encourages it, because it contains spiritual values.

Allah justifies the good to His servants and forbids those who are ugly. A Muslim entrepreneur certainly cannot get out of the frame of this rule, despite the proven and tempting things for him. A Muslim entrepreneur should not slip just because of chasing profits that make him run from what is permitted by Allah SWT. Though everything that is halal can be a good compensation and full of blessings<sup>34</sup>.

*Say you, the dirty and the clean is not equal, even though the abundance of the dirty may please you, then remains fearing Allah, O men of understanding! So that you may get prosperity (Q.S Al-Maidah: 100).*

In the system of life, Islam gives color in every dimension of human life, including the economic world. This Islamic system seeks to dialect economic values with the values of faith or ethics. This means that economic activities carried out by humans are built with the value of materialism and spiritualism. The economic activities carried out are not only based on material value but there is a transcendental rest in it so it will be worth worshiping<sup>35</sup>. Therefore, as a Muslim trader, he should not always prioritize materialism in promoting business activities. Materialism is a classical economic doctrine that Adam Smith carries with individualism. Both understandings only focus on maximizing the development of property and self-center so that the goal is welfare in the world without considering the impact on the afterlife. The Prophet in his life practice always paid attention to the lives of other people, there was no selfishness in him especially in the practice of the business he was running. For him welfare is encompassing the whole of human life, not just about personal gain.

As Muslims believe that the Qur'an and Sunnah have governed the path of economic life and to realize the economic life of God has provided resources and invited people to use them<sup>36</sup> As Allah said on QS. Al-Baqarah:

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<sup>32</sup> HR. Muslim, 'Buthlan Bay Al-Hashh Wa Al-Bay' Alladzi Fih Al-Gharar', in *Kitab Buyu*, p. No. 1513.

<sup>33</sup> Hermawan Kartajaya and Syakir Sula, *Syariah Marketing* (Bandung: Mizan, 2006).

<sup>34</sup> Al-Mushlih and Abdullah, *Fikih Ekonomi Dan Keuangan Islam* (Jakarta: Darul Haq, 2004).

<sup>35</sup> Dimyauddin Djuwaini, *Pengantar Fiqh Muamalah* (Yogyakarta: Pustaka Pelajar, 2008).

<sup>36</sup> Rivai Viethzal and Andi Buchari, *Islamic Economic* (Jakarta: PT Bumi Aksara, 2009).



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*It is He who created for you all of that which is on the earth. Then He directed Himself to the heaven, (His being above all creation), and made them seven heavens, and He is Knowing of all things (Q.S Al-Baqarah: 29).*

Some spiritual values in sharia marketing that take the concept of the example of the Prophet Muhammad, namely *Shiddiq, Amanah, Fathanah, Tabligh* and *Istiqomah*<sup>37</sup>. *Shiddiq* means to have honesty and to always base words, beliefs and deeds based on Islamic teachings. There is not a single word that contradicts the action. Allah Almighty always commands every believer to have the nature of *shiddiq* and create a *shiddiq* environment. In the Qur'an the nature of *shiddiq* is mentioned one of them in the QS. An-nisa: 69

*And whoever obeys Allah and the Messenger, those will be with the ones upon whom Allah has bestowed favour of the prophets, the steadfast affirmers of truth, the martyrs and the righteous. And the excellent are those as companions. (QS. An-nisa: 69).*

*Shiddiq* is not just a private discourse (for individuals), but also a public discourse, namely the need for an honest management system and structure. In business activities, even a marketer may not lie or exaggerate over products that are sold just to pursue sales targets. In sharia business activities between producers and consumers are equal partners, so the producers treat their consumers as if they were their own siblings. In work and business, honesty is displayed in the form of sincerity and accuracy, both timeliness, promises, services, reporting, recognizing weaknesses and strengths of the product to be repaired against it and away from acts of deception and deception.

*Amanah* has the meaning of responsibility in carrying out every task and obligation. *Amanah* is displayed in openness, honesty, excellent service and *ihsan* (trying to produce the best) in everything. The nature of the mandate must be possessed by every believer especially those who have work related to service to the community. *Amanah* attaches great importance to her responsibilities in relation to humanity, who are always convinced that someone is always watching her work. In Islam it is always believed that each of our actions is always under the supervision of angels who always record the good and bad of humans. It is in this context that *Amanah* is active. Allah says:

*Indeed, Allah commands you to render trusts to whom they are due and when you judge between people to judge with justice. Excellent is that which Allah instructs you. Indeed, Allah is ever Hearing and Seeing (Q.S An-nisa: 58).*

*Tabligh* means inviting and giving examples to other parties to implement the provisions of the teachings of Islam in every movement of economic activities carried out daily. *Tabligh* which is conducted with wisdom, patience and argumentative and persuasive will foster human relations which are getting more solid and stronger. The nature of the leadership of the Prophet Muhammad SAW when related to the concept of good governance can be compared with the term communicability. However, in essence this *tabligh* is related to Islamic treatise, which is a matter of *da'wah* and conveying messages of divinity. If communicability only touches the tone of public speaking, then *tabligh* covers all aspects of communication and interaction among humans. *Tabligh* always hopes that the person spoken to can change his attitude and behavior to fit the verses of the greatness of God. A sharia marketer must position himself not only as a representative of the company but also as an interpreter in the development of Islamic economics.

<sup>37</sup> Nur Riyanto, *Dasar-Dasar Pemasaran Syariah* (Bandung: Alfa Beta, 2010).



*Fathanah* means to understand, comprehend and live deeply everything that happens in the duties and obligations. *Fathanah* relates to ratio intelligence, taste, and divine intelligence. Thus when compared with good governance with the concept of intelligence, then this concept is actually only related to intelligence only. In fact, *Fathanah* emphasizes other intelligences such as emotional and spiritual intelligence. The nature of *Fathanah* which is a combination of knowledge ('alim) and. The nature of *Fathanah* also brought the Prophet Muhammad (before being appointed as a prophet) to get success from the trade he did. The skills and expertise possessed by Rasulullah Saw in trading made him a reliable marketing manager from the trading industry Siti Khadijah.

*Istiqamah* means consistent. This gives the meaning of a sharia marketer in his marketing practices always *istiqamah* in applying sharia rules. A sharia marketer must be able to keep his promise; a sharia marketer is not permitted to change his promises. Because in a sharia company the consistency of a marketer is a mirror of the company as a whole. These five values will certainly be able to give birth to a different work culture derivative of business practices that are based on Islamic values.

Based on the description above, we can take valuable lessons from the character and nature of the Prophet SAW in conducting business processes that are truly very noble. He has shown how to do business that holds fast to the truth, honesty and trustworthiness while still being able to obtain optimal benefits<sup>38</sup>. Thus, it's significant concerning the normative economics related to the business during the period of prophet is the manner of the prophet which keeps the behavior of being truthful, honest, benevolent, considerate etc. Besides, on the period of prophet, he was monitoring the market so that it will meet the behavior of all element in the market which suitable to normative economy. He forbade the act of fraudulent, deception, hoarding, accumulation, and many more<sup>39</sup> which will lead to distortion in market, and caused injustice manners.

#### E. Conclusion

By paying attention to the reality in our circumstances in business activities, we can assert that nowadays not all entrepreneurs implement the concept of normative economy in conducting their business activity, particularly Muslim entrepreneurs which it relates to Islamic Economic Principle. Though we already know that Prophet Muhammad SAW became a trade pioneer based on the principle of honesty, fair and healthy business transactions, Prophet Muhammad SAW has carried out business activities based on normative economic concepts that emphasize ethics in conducting business. As the Prophet said "I have been sent to perfect the moral standard" (narrated by Abu Hurairah). The conclusion of this article is that ethics is a principal aspect in business since according to Islam; economic activities cannot be separated from ethics. Thus, it is essential for Muslim entrepreneur to implement ethics on their business activity. As a Muslim entrepreneur it has become a must to constantly improve the quality of life both in the world and in the hereafter. And just as a Muslim should always remember the word of God to care and do well to others. In Q.S Al-Qashash 77 Allah says: "But seek, through that which Allah has given you, the home of the Hereafter and (yet), do not forget your share of the world. And do good as Allah

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<sup>38</sup> Teguh Susanto, *Muhammad SAW Sang Miliarder Kisah Sukses Konglomerat Makkah* (Yogyakarta: Buku Pintar, 2013).

<sup>39</sup> Nur Chamid, *Jejak Langkah Sejarah Pemikiran Ekonomi Islam* (Yogyakarta: Pustaka Pelajar, 2010).

has done good to you. And desire not corruption in the land. Indeed, Allah does not like corrupters" (Q.S Al-Qashash 77).

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