ANALYSIS OF THE PRODUCTION CONCEPT IN THE THOUGHT OF MUHAMMAD BAQIR SHADR AND ITS RELATION TO CONVENTIONAL ECONOMICS

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Abstract

This research aims to present the model of creation based on Baqir Shadr, as well as Baqir Shadr’s critical analysis of the creation style of capitalism. The research is carried out using literature or library research that examines the concept of creation based on Baqir Shadr’s thoughts with some literature and literature related to the research topic. The results of the study show that the things that make the concept of creation of
capitalism, socialism, and Islam different are caused by the motives of the actors in this case the producer in achieving his goals which are influenced by the economic doctrine he adheres to. To increase the creation of up to there are 2 facilities that can be taken, namely intellectual facilities as a paradigm that is used as a way of life for each producer so that it will shape his ethics and morality in production. Next is the legal facility which is a facility positioned as a provision in the creation which consists of maximizing the use of land into productive land and eliminating the application of usury in creation where the use of interest is included in the instrument. Meanwhile, Baqir Shadr's critical analysis of the concept of capitalism creation is that if the highest profit is the target, it means that the matter makes the position of creation only based on demand which is influenced by purchasing energy. There is also a large purchasing energy that is only owned by a certain group, making the poor have no influence on the economy.

Keywords: Ethic and morality Production, economics, Baqir Shadr

Citation:

INTRODUCTION
Creation is a process that has been born on this earth since humans inhabited this planet. Along with the growth of time, the activity of creation faces reformulation where at a time when human needs were still few and simple, the activity of creation was tried to fulfill its own needs. (Laksmi, 2015). This then shifts with the increasingly diverse needs, a person can no longer produce the goods and services he needs himself, so he needs other parties to produce what he needs (Rafsanjani, 2016). Producers as actors in creation activities emphasize how the creation process can achieve maximum profit. Creation in the theory- of creation shares a description of the attitude of producers in optimizing their profits or maximizing their production efficiency.
The reflection gives a signal that efficiency and optimization of energy sources will be used by producers, especially in the exploitation session (Laksmi, 2016). Therefore, the orientation of this age-old creation-oriented work of capitalism is the accumulation of as much capital as possible in order to create a much larger income output. Efforts to optimize these profits make the conventional economic system highly uphold productivity and efficiency in the creation of activities. (Rijal, 2023). This behavior often leads them to ignore external problems, or adverse effects of the creation process that can affect people who do not participate in the creation process itself, either as consumers or as part of the creation aspect, for example, the formation of pollution effects on the area around the place of production. This provision confirms that whatever producers want to do in order to optimize profits, let alone degrade moral values and justice, no longer matters as long as what is aspired to be achieved.

Unlike Islam, which views the activity of creation not only in an effort to fulfill the needs of life as homo economicus but also as a facility for pursuing social justice and protecting human dignity. The Qur'an and as-Sunnah are the frame of reference for returning the activity of creation to its original purpose of improving total human welfare. (Sukarno, 2023). The concept of Islamic economics in this case is bound by a set of values of faith, morals, and moral ethics for every economic activity both in its position as a consumer, producer, distributor, and others in conducting their business and in obtaining their property. This view explicitly explains that a producer or company is not allowed to degrade moral values and beliefs in production. Nasution & Setyanto, 2007). The first model that Islam emphasizes in economic activity is the achievement of the concept of falah through benefit. Therefore, the target of producers in the Islamic economy is not to increase worldly profits alone so that companies are satisfied to Get it a reasonable and appropriate profit to achieve the main goal of worshiping Allah.

Baqir Shadr is an intellectual who talks a lot about the concept of production. So from his thoughts on the concept of production can be drawn a red thread separating the concept of Islamic production and capitalism. Therefore, it is interesting to examine Baqir Shadr's thoughts on production which is a reference for Islamic intellectuals and economists in understanding the concept of production.
LITERATURE REVIEW

Definition of Production

Production activities in economics are defined as activities that create benefits (utility) both in the present and in the future. While technically defined as the process of transforming inputs into outputs. (Yuniarti, 2016). Rivai Wirasasmita defines production as utility (usability) or the ability of a material object to satisfy human needs can be increased through the realization of time utility, place utility, form utility, or ownership utility (Wirasasmita, et al, 2002). Furthermore, the meaning of production according to contemporary Muslim economists (Takdir & Harfika, 2017). Monzer Kahf defines production as the activity of taking advantage of every particle that exists from nature. Meanwhile, Baqir Shadr considers production as a process of managing nature so that human needs can be met (Shadr, 2008). Nejatullah Siddiqi revealed that production is fully oriented to meet the needs of individuals, families and provisions for future generations and efforts to provide assistance to the community in the context of devotion to the Creator (Muhammad, 2007).

Based on the above definition, it can be concluded that production is a process of managing resources in order to meet human needs by prioritizing the value of morality in achieving goals. It can be seen from the views of conventional and Islamic economists in viewing production where conventionally see production as a tool to satisfy human needs. While in the view of Muslim economists raise one level of the definition so that production is not only used as a satisfier of needs but with the fulfillment of these needs, morality will also be formed (Siddiq, 1999).

Production in the Qur'an

It is believed that the Qur'an as the main source of Islamic law in discussing production issues also discussed production long before production was known in modern terms. Although production in the Qur'an is only discussed implicitly so that intellectuals only interpret or adapt it to the existing context. The most common thing that is interpreted as a production verse is the story of Prophet David AS. His ability to process iron into useful goods confirms his title as a productive human being (Tarigan, 2012). As mentioned in his word Q.S Al-Anbiya: 80:
“And We taught David to make armor for you, to preserve you in your battles; so be thankful (to Allah).”

Azhari Akmal expressed the verse with production as a lesson given by Allah to Prophet David AS. to assemble armor (Tarigan, 2012). Although the context does not explicitly mention the word production, the verse describes the production process. The process describes how iron as raw material is then processed into armor as a result of production output that has a higher usability than before. From this explanation, it is clear that the Qur'an discusses the concept of production which can be used as a basis for looking at production issues.

Factors of Production

In the production process, the main focus is on production factors. The selection of production factors is important for producers because the best combination of production factors will produce the best product (Rafsanjani, 2016). In order to produce, a producer needs various production factors such as natural resources, labor, capital, and organization. The types of production factors are theoretically divided into four, namely as follows (Ali, 2013).

Natural resources or land are a major part of the factors of production. It means all the natural resources, such as water and air, trees and animals, and everything above and below the ground, that generate income or produce products. According to Marshall, land means "the materials and forces given by nature freely to help man, including soil and water, air and light, and heat". Islam recognizes land as a factor of production but not in the exact sense in which it is used in modern times.

In classical writings, land, which is considered an important factor of production, includes all natural resources used in the production process, such as the surface of the earth, soil fertility, the properties of air, water, mineral and other resources.

Labor is a factor that utilizes natural factors that determine the quality and quantity of production, so it can be said that the success of a production is determined by this factor. In economics, what is meant by the term human labor is not merely human power to hoe, saw, carpentry, and all other physical activities, but more broadly, namely
human resources, so that it can be said that labor is all the abilities that humans have in creating an item. In this sense, labor in Islam is given a limit so that it is inseparable from morals and ethics in carrying out production so as not to harm others.

Capital is all wealth owned by producers both in the form of money and non-money such as buildings, machinery, furniture and other physical wealth that can be used to produce output. In this regard, what distinguishes capital in the Islamic perspective is the way it is acquired. Interest-free is the main element that must be fulfilled in obtaining it.

Organization to drive various factors of production, organization or management is needed. In a production there should be an organization to manage activities in the company. With the organization of each production activity has the person in charge to achieve a company goal. It is expected that all individuals in an organization do their job well according to the tasks assigned.

Production Principles

Principles are substantial things that bind every Muslim in his daily life, including in economic activities. In production, for example, a producer or company must uphold values both related to God and humans and nature. At least a producer must depart from the following principles: 1) Tawhid is fundamental to every religious believer so that the orientation of his actions cannot be separated from the principles of divinity. This will have implications for the existence of a sincere intention that all work done is in order to worship Allah SWT, because basically everything originates and ends with Allah SWT (Turmudi, 2017). In the axiom of tawhid, there is total and pure human belief in the existence of God. This relationship is vertical because the life of the world is a manifestation of His unlimited power. On that basis, the existence of humans and other creatures is an integral part of the Creator. Belief in God is the initial basis for production activities. Production activities are a form of submission, human devotion, and the development of human potential by processing the universe with various factors of production in order to achieve profits to improve the welfare of individual and collective life. Specifically, production activities are a manifestation of human nobility as a servant so that production activities are based on the awareness that humans are obliged to prosper the earth and form an
ethical social order. In the process of managing nature, humans become relative owners of the results. Relative ownership has a human obligation to distribute it to the community because differences in ability, property ownership, and knowledge are facts of humanity.

When enacted by conscious producers, the principle of tawhid is the most sublime moral criterion. Recognition of God's presence becomes an ethical principle that can be applied by anyone for the benefit of humanity itself. 2) Justice, If the principle of monotheism is a vertical relationship between humans and their god, then the principle of justice describes human relations in a different sense, which can be said to be a horizontal dimension. The command to be fair in the Qur'an aims to eliminate economic and social inequality. In the area of production, the principle of justice can ensure that exploitation will not occur on discredited parties in economic activities. Production activities become a means of promoting the concept of justice to eliminate economic inequality and disequilibrium. Economic resources and wealth are understood as a mandate and humans must distribute them equally. Their utilization becomes a means to promote a dignified standard of living.

The principle of justice becomes the standard of producer behavior in treating the factors of production. Labor, natural resources, and capital must be placed proportionally. In this case, Islam respects the differences in ability and potential among humans so that it is impossible for each individual to be treated the same. On that basis, Islam emphasizes the implementation of distributive justice. justice in production activities becomes a general standard of production activities both in formulating internal policies, growing businesses, buying and selling, spending benefits, and so on. 3) Virtue, the principle of virtue is a principle that connects the vertical and horizontal dimensions.

Vertically, benevolence is a manifestation of human status as khalifah of Allah. Horizontally, differences in degree, ability, and wealth are a test for humans to strengthen the basis of social life by helping each other and working together. As a derivation of the principle of tawhid, humans are obliged to spread benevolence on earth because the essence of their creation is goodness. The actualization of abilities is good, the wealth they have is also good. Likewise, the utilization of economic resources to improve their welfare is a good thing. The Qur'an describes
this axiom of goodness in various verses.

Paradigmatic benevolence in the Qur’an contains a broad meaning, namely the fulfillment of personal needs, fulfilling the rights of the community, preserving the universe, distributing the wealth it has proportionally. For example, Islam respects individuals who have property. This is related to the content of goodness in wealth so that humans always increase the goodness in their lives (Tarigan, 2016). Efficient production procedures, management of human resources, wise transfer of technology, preservation of natural resources, and the use of halal sources of funds are the impetus for good production activities that aim to glorify the status of humans before God and fellow living beings. The application of the axiom of virtue will become the principle of virtue that leads to human relationships with God and fellow humans. 4) Freedom and Responsibility, everyone is given freedom and responsibility in navigating his life so that freedom and responsibility are inseparable. Humans in Islam are born free and given the potential to make their choices (Chaudry, 2016).

Every action has a logical consequence, which is accountability. The Islamic principle of economic freedom means that an individual has been given the freedom by God to make choices. The freedom that humans have is relative because freedom of choice cannot determine the degree of truth of their choices. Free humans need guidance so that they are not trapped in the wrong choices. A variant that suppresses the dimension of human freedom is responsibility. This principle of responsibility is integrated with the status of the human caliphate. Responsibility contains an essential understanding that every free human behavior has moral implications for self, society, and God. So there is no prohibition for each individual to get the maximum possible profit as long as the rules and principles of responsibility are not degraded.

RESULTS AND DISCUSSION

Short Biography of Baqir Shadr

Muhammad Baqir al-Sayyid Haydar bin Ismail Al-Shadr is a scholar, scholar, philosopher, politician, economist, who was born in a respected family environment in Kazhimin, Baghdad, Iraq in 1931 AD (Shadr, 2013). Sadr’s early education began at al-Muntada al-Nasr elementary school. Furthermore, at the age of eleven he had taken up the
study of logic and wrote a book criticizing philosophers (Faizah, 2018). At the age of sixteen Shadr moved to Najaf in order to obtain a higher education. His journey to Najaf made him more prominent in the intellectual world. Sadr was one of the leading thinkers who participated in the intellectual awakening that took place in Najaf between 1950-1980. This is evidenced by some of the works he wrote which influenced the treasures of Islamic intellectual thought, especially the Shia sect (Faizah, 2018).

Economics is also part of Shadar's repertoire of thought with the magnum opus Iqtisaduna which is used as a reference in the development of Islamic economic thought. It was through this work that catapulted his name in the scientific world as a renowned Islamic intellectual. Where in the 1980s Iqtisaduna has been translated into German, accompanied by a Mukaddimah about this Shia alim by a young German orientalist. Shadr sees this as the most important thing for Muslims, not only to embrace Islam's call for social justice, but also to fully understand its many implications. Sadr therefore calls on Muslims to recognize the original richness of Islam and break away from external influences such as capitalism and Marxism (Chapra, 2001).

**Economic Doctrine as a Distinguishing Concept of Production**

In Baqir Shadr's perspective in production activities there are at least two aspects, namely, the objective aspect which is directly related to the natural resources being processed and the subjective aspect which is directly related to the psychological motives to be achieved in the production process. It is interesting to see Baqir Shadr's thoughts when trying to separate the economics and economics in viewing production which in turn shapes the behavior of producers. According to him, by raising the theory of specialization that the division of labor can lead to the quality and quantity of production is an objective truth discovered by economics.

So with the discovery of this theory, a producer can use it in order to improve the quality of the output produced. Furthermore, according to Shadr, the discoveries made by economics do not affect the doctrines of capitalism, socialism, and Islam because it is not its scope. Clearly in this concept Shadr distinguishes between the concept of production...
which is part of economic science with the concept of production which is part of the economic doctrine. So it can be said that all economic doctrines agree on the science of economics as the basis for production.

The thing that makes production different according to Sadhr is the motive of the actor in this case the producer in achieving his goals. As stated that the producer's motives are influenced by the economic doctrine he adheres to. Therefore, each of these economic doctrines uses the same economic science. What makes it different is when the doctrine plays a role in its subjective aspects that affect the psychology of producers in achieving their goals. So according to Shadr, the behavior of producers is determined by the doctrine they adhere to because each society has a point of view regarding the production process and doctrinal methods in determining the motives and contributions of production in order to realize an ideal life (Shadr, 2013).

**Islamic Means of Developing Production**

For Shadr there are several means that can be taken in production in order to realize the target to be achieved. Intellectual and legal means are the two most important means that must be seen in production so that it remains in the corridors regulated by the original teachings of Islam. The first means is intellectual means. This intellectual tool is the foundation of production by which Islamic doctrine is adopted by each producer. This tool is used as a way of life paradigm that distinguishes it from the paradigms of capitalism and Marxism. Attachment to intellectual means will ultimately provide encouragement for each producer to increase their productivity in exploring various existing resources by outlining the moral standards regulated in Islam. The urge to work hard is another implication in intellectual means to raise human dignity in the eyes of God and others. Given that hard work is considered as worship in the eyes of God and will get the reward of victory in this world and the hereafter. Production that is supported by this means will form the behavior of producers who are productive and provide usefulness to the public sphere. The second means is legal means.

To support the development of production, it is not enough to use intellectual means alone but legal means are needed as a frame of reference in production. This reference is intended to stimulate
production activities so that their productivity can be felt by many people. The first law proposed by Sadhr is the maximization of land use into productive land. There are several consequences arising from this view. Taking over land from its owner is the first consequence that arises where it is permissible for someone to take over land from the previous owner if in his control the land becomes dead. According to Shadr, this is justified if the land is converted into productive land (Shadr, 2013).

According to him, land should contribute to human prosperity without being monopolized by someone who makes it lose its productivity. In addition, this law also has consequences for the authority of power. Shadr assumes that a person is not allowed to control an area that is considered unproductive through an agent of power that ultimately only benefits himself. This is a strong argument considering that through agents of power, their domination will prevent the potential of production from being enjoyed by many people. The final consequence is the rejection of income that is earned without labor. For example, a person who rents land and then rents it again and gains profit from the transaction is not recognized by Islam, according to Shadr.

The concept of intermediaries in this case is justified because it is considered not to make a positive contribution to the production process. The second law is the elimination of usury practices in production. Interest in Shadr's view falls into the category of usury so that its use is forbidden in the production process. The use of interest in capitalism production is the main source used in order to expand production. Islam itself, according to Shadr, considers the transformation of money capital to be productive capital. The implication of this view is that it cuts off the access of interest worshippers who have been glorified by the capitalist society that utilizes time for profit. Obviously, this interferes with the development of production where loans made by producers depend on the interest rate played by capitalists. Another possible way to ensure the sustainability of production in the midst of high interest rates is to increase the output of production which impacts on the consumption of the lower classes.

Another implication that arises is that the focus of money investment moves in the real sector. With the elimination of interest, investment will be directed as much as possible in the realm of production which will increase productivity and the results can be
enjoyed by many people. It is inversely proportional according to Shadr if production is supported by the use of interest whose orientation is to benefit from the time period. The interest loan sector is more desirable than investments that directly support the production process (Shadr, 2008).

**Baqir Shadr's Critical Analysis of the Capitalist Production System**

In answering for whom we produce, Baqir Shadr places the position of capitalism on the fulfillment of interrelated consumer needs. The doctrine carried out by capitalists in directing production is determined by the supply and demand mechanisms that apply in the market. The free market construct that characterizes it makes capitalism rely on private production. The freedom of each individual in expressing his work in production activities makes him produce goods according to his desires. This concept directs the practice of production in a capitalist society. The main objective underlying the production is to achieve maximum profit. As a result, a producer will increase his output according to market demand. Production will continue as long as the commodity produced has a large market share in order to achieve maximum profit. This profit is achieved when the demand for production increases, thus raising the price of the commodity.

According to Shadr, this concept is partly justified and partly displays a contradiction between production and demand. According to him, demand in capitalist doctrine is only interpreted as money and not interpreted as human needs. The pretext used is that demand that can raise prices is only demand that has the purchasing power to obtain a commodity. Meanwhile, demand that is not supported by cash or purchasing power will not affect prices because it is not counted as a demand.

So to see the relationship between demand and price, the demand made by each individual must be accompanied by cash. According to Shadr, this conception makes the demand for a commodity only influenced by a handful of people because they have high purchasing power which in the end the demand and price determination are dictated by the capitalists. Meanwhile, the needs of the poor are marginalized in
the market sphere because they do not have the power to change the price construct. Demand supported by high purchasing power will create means of luxury due to high demand by capital owners while the urgent needs of the poor are not adequately met.

To answer his criticism of the doctrine of capitalism, Baqir Shadr places the concept of production in the corridor outlined by Islam. According to him, the concept of production must fulfill basic human needs and production must be directed to produce commodities needed by the community in moderation. Production in his view cannot be intervened by purchasing power controlled by the capitalized group alone but production must be present to meet all human needs. In addition, Shadr also believes that the state can intervene in production. The intervention is intended to ensure production at its maximum and minimum limits. With this intervention, production is in the middle position so that there is no waste and scarcity of production.

CONCLUSION

Based on the results of research on the concept of production perspective of Baqir Shadr, it can be concluded as follows: in the concept of production Baqir Shadr believes that all economic doctrines both capitalist, social, and Islamic agree on the economic science that is used as the basis for production. The thing that makes production different according to Sadhr is the motive of the actor in this case the producer in achieving its goals influenced by the economic doctrine he adheres to.

To develop production, there are two means that can be taken according to Baqir Shadr. The first is an intellectual means which is a paradigm that is used as a way of life for every producer so that it will shape his ethics and morality in production. The second is the legal means which is the means used as a rule in production. The first legal means proposed by Baqir Shadr is maximizing the use of land into productive land. The second law is the elimination of usury practices in production where the use of interest is included in it. As for Baqir Shadr's criticism of the concept of capitalism production regarding maximum profit.

Therefore, production will continue as long as the commodities produced have a large market share, which makes the demand for
production increase, thereby increasing the price of commodities. While the demand itself is determined by the purchasing power of the community as evidenced by cash. So that the level of demand is only determined by the high purchasing power that is only owned by a certain group making the poor have no influence in determining the demand for certain commodities. The solution offered by Baqir Shadr is the production of the concept of production must fulfill basic human needs and production must be directed to produce commodities needed by the community in moderation without being intervened by purchasing power controlled by the capitalized group alone. In addition, Shadr also believes that the state can intervene in production. The intervention is intended to ensure that there is no waste and scarcity of production.

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