

CHAPTER I

INTRODUCTION

1.1 Background

Islam is a universal religion and gives guidelines lives through the Qur'an and Hadith. Islam is a derivation from the word *as-Salam* which is surrender a slave to Allah S.w.t., be bent down to His commands, straight behavior orientation and true toward safety, as well as providing a sense of security in the middle of humans and other creatures (Hodjaeffendi, 2013, p. 271)¹. Islam came in 611 AD, when the first revelation was revealed to the last Prophet Muhammad bin Abdullah in the Cave of Hiro, Saudi Arabia. Muhammad was born in the middle of Quraish's ethnic in the *jahiliyah* (stupid) age which surrounded by desert ethic whose very love at war and idolatrous. He was an orphan since still in the womb of his mother. And returning abandoned by his mother at the age of 6th years so raised by his grandfather Abdul Mutholib and followed by his uncle Abu Talib. Muhammad then married a widow Siti Khadijah and lives a simple life. At the age of 40th, Muhammad got which revealed by The Angel of Gabriel and for some time afterward began teaching silently to his companions. This is the beginning history of the arrival of Islam in the face of the world as a religion which are not only *syumuliah* (perfect) but also *harakiyah* (dynamic). Islam called perfect because Islam is a completing religion from previous religions before and it Sharia organize all aspects of life, both of faith and *mu'amalah*.

¹Hodjaeffendi is an activist and a great scholar who has thought and the most important and serious writing in the twentieth century in Turkey.

Islam regulates all forms of human behavior in dealing with others to meet their needs in the world. Included are Islamic rules regulating the market and its mechanisms. Islam was a religion of falsified religions previously made the Qur'an and hadith as a way of life for Muslims followers. Muslims believe that God revealed the Qur'an to Muhammad as his agents, Khataman nabiyyin² (Seal of the Prophets) and believes that the Qur'an and the Sunnah (any words and deeds of Muhammad) as the fundamental sources of Islam. They do not consider Muhammad as teaching a new religion but as a reformer of the monotheistic faith of Abraham, Moses, Jesus and other prophets. Muslims also believe in the Qur'an as scripture and guidance of their lives given by God to Muhammad through the Angel Gabriel intermediary perfect and there is no doubt in it. According to verse that written in Al-Qur'an:

ذٰلِكَ الْكِتٰبُ لَا رَيْبَ فِيْهِ هُدًى لِّلْمُتَّقِيْنَ

”This is the Book (the Qur'an), whereof there is no doubt, a guidance to those who are Al-Muttaqun (the pious believers of Islamic Monotheism who fear Allah much (abstain from all kinds of sins and evil deeds which He has forbidden) and love Allah much (perform all kinds of good deeds which He has ordained)) (Al-Baqoroh : 2).

And Allah has promised to maintain the authenticity of the Qur'an until the end of time³. As was stated in the Qur'an, Muslims are required to believe in the scriptures and His word which are revealed before the Qur'an (Psalms, Taurat,

² Q.S Al- Ahzab : 40

³ QS. Al Hijr: 9, It is We Who have sent down the Adz-Dhikir (the Qur'an) and surely, We will guard it from corruption).

Gospel) and *suhuf*⁴ the other prophets and apostles before is true. Islam is a religion that maximization of previous religions and his *syariah* which organize all aspects of life both faith and *mu'amalah* includes Islamic rules which organizing the market and its mechanisms (market equilibrium between supply and demand).

By all of Muslims faith to the Qur'an and as a guideline - it's a way of life, so that researchers interested to explore the truth of the concept of supply and demand in the early age of Islam-661M. With the addition of historical books, classic and also previous research journals and then compare it with the concept of the law of demand and supply that was exist today, researchers are interested to discover more about the concept of demand and supply in more details. The differences phenomenon of appraisal and perspectives of expert economists though the concept of market mechanisms, especially toward the prices and markets equilibrium concept make researcher more interested to explore the understanding of demand and supply concepts in the early age of Islam. From here, researcher will conduct research on the Qur'an content or verses and also another historical book. The importance reviewing of the evidence and historical sources believed by researcher to be one of enforcement resources in research as the word of Allah S.w.t. "almighty that the study of history will be there *ibrah*⁵ (lessons) because learn from past history we can take lessons for the future as a planning or concept which become better. Indeed, understanding history is closely related to the changes. Change, mean motion in accept and carry out their

⁴The revelation of Allah, which is still in the form of sheets that delivered to the Prophet but is not required to be submitted to the people

⁵ QS. Al-Hashr : 18

function as caliph. So the task of human life on this earth is the "creator of motion history". According to the hadith of the Prophet "Today should be better than yesterday and tomorrow should be better than today. Muslims also believe that the religion professed by the prophets and messengers of Allah's prophet since the time of Adam is Tauhid. Thus of course Abraham which monotheism by Hanif (pure faith), then make him a Muslim.

The study, entitled "An Exploration of Demand and Supply Concept in the Early Age of Islam" is expected can be provide in-depth explanation of demand and supply concept in the early age of Islam through research studies the content of the Qur'an and the classical histories by comparing the content or verses understanding in Qur'an and classical Islamic histories to the demand and supply concept today.

1.2 Research Questions

Based on the background of Islam as a religion reformer as well as falsifies the previous religions are believed by all Muslims and the Quran-As sunnah as a way of life that governs all entities on this earth including the Islamic rules governing the market and the mechanism, the researcher propose formulation of the problem as follows:

Is the norms indicators of Islam in the concepts of demand and supply (*halalan-thoyyiban, do notishrof, and ridho*) were become important aspects in the concept of demand and supply in the early age of Islam.

1.3 Research Objectives

The aim of this study was to:

Explores the norms indicators of Islam in the concepts of demand and supply (*halalan-thoyyiban, do not ishrof, and ridho*) as important aspects in the concept of demand and supply in the early age of Islam.

1.4. Research Benefits

For academics:

- 1) Enhancing the literature on the concept of supply and demand that occurred in the early age of Islam by emphasized on the indicators of (*halalan-thoyyiban, do not ishrof and ridho*) comparing it to the concept of supply and demand in microeconomics texts today.
- 2) Push next empirical research with different subjects about how important indicators (*halalan-thoyyiban, do not ishrof and ridho*) in the real transaction or *muamalah* practice.
- 3) Prove and explain the theories and concepts of demand and supply that exist in the Qur'an and classical historical book.

For practitioners:

- 1) To provide an understanding toward concept of supply and demand that occurred in the early age of Islam in the real practice as guideline in *mu'amalah*.

- 2) Describe how is too importance to pay attention toward indicators (*halalan-thoyyiban, do not ishrof and ridho*) in transaction until achieve market stabilization.
- 3) Describe and prove the existence of Islam was as a reformer religious and falsifies from all the previous religions who successfully manage all the entire affair of mankind on earth with full dynamic.
- 4) Invite the economist practitioners to make Al-Quran, hadith and classical historical book as guideline in *mu'amalah* before using other guideline.