

Al Ghazali's Thoughts of Economic Growth Theory, A Contribution with System Thinking

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Abstract

This article tried to view ideas and economic thought of Al Ghazali, which had these thoughts tend to separate, in the sense that these thoughts as not to form an understanding of the aggregate economy. This is why the paper tries to explore and analyze further the thoughts and ideas of Al-Ghazali in the framework of the system, especially in terms of building a theory of economic growth. Modeling with Systems Thinking is used to facilitate the analysis and establish a model of economic growth of Al Ghazali, which is expected to be produced more comprehensive understanding of the thoughts and ideas of the Al Ghazali.

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1. Introduction

Studies on thoughts of the classical Muslim scholars in the field of economic growth seems very limited and few, but perhaps just a lot of ideas from them regarding the ideas of economic growth or the factors that led to the economic growth of a country's economy. As far as we get that the thought of Ibn Khaldun was a much studied and quoted with respect to economic growth.

Due to few and limited study of ideas and thoughts of economic growth of the classical Muslim scholars to be one of the factors which led us to revisit and reexamine their thoughts and ideas in terms of economic growth as part of their contribution. Other reasons which became the basis study of ideas and their thought are caused by the differences epistemologi of thoughts and ideas of the classical Muslim scholars, which they based on the values and morals that comes from revelation, besides the reality condition that occurs in a positive. They also provide a comprehensive thought, linking the economic aspects to the non-economic aspects, for example social and political aspects of society, and other aspects of it, especially trying to relate the physical and non-physical aspects and values of divinity with the idea of economic growth, not just for this life and physical material but also spiritual life and the hereafter as well as non-physical.

A small portion of modern thought has begun to try to relate the thought of economic growth with the dimension

of time, for example by considering the present to future generations, as described in its intergenerational models, however these models are still just discussing the scope of the current time dimension in world without linking aspects of life after this world or the hereafter. There are also thoughts about the economy and economic growth which tried to relate to moral values, for example by the value of the moral and ethical values of Buddhism, or tried to relate to the environment and natural balance. The thoughts and ideas of these kind which developing in modern times, indicated which attempts to connect moral values or religious in economic growth and economic development of societies or countries.

This study attempted to reconstruct the economic thought and economic growth of the classical Muslim scholars of Al-Ghazali. Our motivation to choose the classical Muslim thinker and scholar are based on the views of Islamic values and the values of their thoughts, that they started the discussion by grounding the Islamic viewpoint and Islamic values in assessing aspects of economic behavior and economic growth.

Our effort here is to obtain a more comprehensive understanding of their thoughts and ideas in the field of economics and its relation to economic growth, which in turn will provide an overview and a contribution to the study of modern economic ideas from Islamic scholars.

Discussion in this study is divided into two major sections, the first section discusses the ideas and economic thought of Al-Ghazali, while the second part will discuss and examine those thoughts in relation to economic growth,

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and then discuss the ideas of thought in relation to the ideas and thoughts of economic growth in a more comprehensive way.

2. Method

2.1 Systems Thinking

Systems Thinking has at least some roots in the General System Theory that was advanced by Ludwig von Bertalanffy in the 1940s and furthered by Ross Ashby in the 1950s. The term Systems Thinking is sometimes used as a broad catch-all heading for the process of understanding how systems behave, interact with their environment and influence each other. The term is also used more narrowly as a heading for thinking about social organisations, be they natural or designed, healthy or unhealthy. Often the focus is on a government or business organisation that is viewed as containing people, processes and technologies.

Systems thinking has been applied to problem solving, by viewing "problems" as parts of an overall system, rather than reacting to specific parts, outcomes or events and potentially contributing to further development of unintended consequences. Systems thinking is not one thing but a set of habits or practices within a framework that is based on the belief that the component parts of a system can best be understood in the context of relationships with each other and with other systems, rather than in isolation. Systems thinking focuses on cyclical rather than linear cause and effect.

In systems science, it is argued that the only way to fully understand why a problem or element occurs and persists is to understand the parts in relation to the whole. Standing in contrast to Descartes's scientific reductionism and philosophical analysis, it proposes to view systems in a holistic manner. Consistent with systems philosophy, systems thinking concerns an understanding of a system by examining the linkages and interactions between the elements that compose the entirety of the system.

Systems science thinking attempts to illustrate how small catalytic events that are separated by distance and time can be the cause of significant changes in complex systems. Acknowledging that an improvement in one area of a system can adversely affect another area of the system, it promotes organizational communication at all levels in order to avoid the silo effect. Systems thinking techniques may be used to study any kind of system — physical, biological, social, scientific, engineered, human, or conceptual. The Fig.1. show steps in system thinking procedure :

2.2. System Dynamics as a Theory Building Method

System dynamics is a modeling and simulation method that relies on a variety of qualitative and quantitative data sources in the formulation of dynamic theories [35, 38].

The premise is that dynamic behaviors (performance over time) are closely linked to an underlying structure of feedback loops. Articulating and understanding linkages between behavior and structure contributes to our understanding of the world, and constitutes away of creating theories about the world that we call Dynamic Hypotheses.

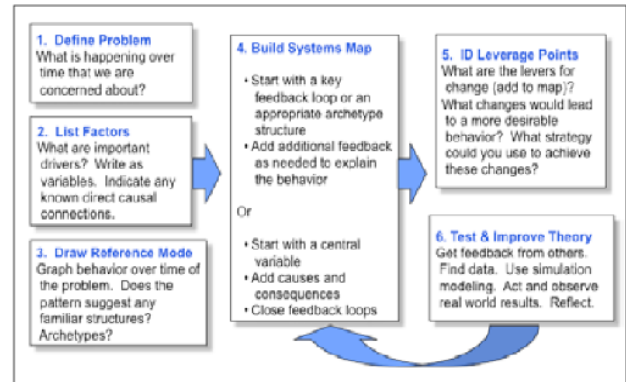


Fig. 1. System Thinking Methodology (Sustainability Institute, 2005)

Similarly to other qualitative theory-building approaches [15, 20, 30], “a formal model is constructed by inferring from data and theoretical statements some hypotheses about causal relationships that generate a particular pattern of behavior over time observed in the case. Model -building proceeds iteratively by representing the hypotheses in a mathematical form, simulating, comparing the model output with observed behaviors, and returning to the observations and theories to refine the hypotheses represented in the model by changing its structure. In this sense, a formal model is a non-textual, mathematical expression of a theory of the cause-and-effect relationships that systematically produce the patterns of behavior observed in the field” [9].The mathematical nature of the method forces the analyst to be “quite exact and specific in attempting to specify causal dynamics that accomplish a satisfactory translation between verbal theory and empirical observations” [22].

Dynamic simulation has been argued to constitute an effective way for building theories about social phenomena. For example, [28] showed how the use of simulation could contribute to solve apparent contradicting conclusions between regression research and case studies in Public Administration by better understanding the dynamics of key performance variables used in both kinds of research. Sociologists such as [33], argues that dynamic simulation helps to get a better understanding of verbal theories and any unexpected outcome obtained from them, with the potentiall to inform or improve the activities of both, theorists and empirical analyst.

More recently and consistent to these views, [13] also argue for the use of simulation methods as a way to use a synthetic environment to incorporate our knowledge about a particular phenomenon to refine our understanding of the problems and better focus further empirical research efforts.

System dynamics has proven useful for studying complex feedback systems [37]. In the concrete case of theory -building efforts, system dynamics has been successfully used in sociology [20, 21, 33], management and organizational theory [10, 34, 36], information systems [1, 14] and public administration [16, 26].

3. Findings

3.1. Al Ghazali Economic Views

Al-Ghazali was not only a Muslim philosopher, theologian, jurist and mystic of Persian descent, but he was also an expert in the field of economy, especially about the ethics of Islamic finance. [31] in his book *Reading on Islamic Economic* mentioned the name of al-Ghazali in a row of the Muslim economic thinkers together with Ibn Taymiyya, Ibn Khaldun and other figures. During this period, the discourse of Islamic economics had grown extensively and was characterized by the expansion in the Muslim empire.

Complexion of Islamic economic thought at that time focused on micro-economic analysis and the functions of money. Al-Ghazali, for example, has alluded to money, its function, and evolution of its use. He also explained the issue of prohibition of riba and its impact on the economy of a nation.

On microeconomic analysis, he discussed the issue about weight scales, price controls (*at-tas'is* or intervention), the determination of tax in certain circumstances or emergencies. He also talked about how did the economy cope with the impact of rising prices. Could it be done via the market mechanism or government intervention, and others.

The concept of Al-Ghazali exhibit a distinctive character, given the philosophical nuances thickened due to the influence of mystical science base. However, the interesting part of the financial outlook is that al-Ghazali was not stuck on the plains of philosophical, but rather shows a harmonious mix between real condition that belongs to people with philosophical values and accompanied by a logical and clear arguments.

Al-Ghazali's economic thought at least covers the basic concepts of the behavior of individuals as economic agents, such the concept of property, the concept of social welfare (outweigh), market evolution, demand and supply, prices and profits, market values and ethics, production activities and hierarchies, barter system and functions of money, and the function of the state in the economy.

Al-Ghazali said that, engages in legal economic activities were fard kifaya. Economic activity must be based on the goal of happiness in the afterlife. Further he explains the reasons why people should engaged in economic affairs, namely: *First*, God has created an abundance of natural resources to be exploited by humans for its survival, as well as proof of gratitude to god for the sustenance Giver. *Second*, people who are economically

powerful then his life will be free, away from dependence on others and can run perfectly religious teachings, such as zakat, infak, charity and pilgrimage. *Third*, the behavior of the economy in pursuit of fulfillment can not deviate from the teachings and principles of Islam.

Al-Ghazali stressed the importance for economic actors to have knowledge of the principles and rules of Islam in economic transactions. They must know the types of transactions that are prohibited and allowed. They should know about bai '(sale), usury, salam, ijara, mudaraba and musharakah. Every economic transaction has pillars and conditions that must be known by the business community in order to avoid vices and damages that may arise later on.

Al-Ghazali thought in socioeconomic is rooted in a concept that he calls "**Islamic social welfare function**". Of this concept was born the term *masalih* (utilities, benefits) and *mafasid* (disutilitas, damage) in a position to strengthen social welfare. According to Al-Ghazali, the welfare of the society will only be realized if it maintains five basic objectives, namely religion, life, intellect, property and offspring. Through these five basic goals, he then split three levels of individual and social utility, ie *daruriat* (needs), *hajat* (pleasure), and *tahsinat* (luxuries).

So, the concept of welfare and vice have long put forward by Al-Ghazali before the concept developed in the modern economy with the term "social welfare". He said that every individual act that harms others including destructive acts. Examples of actions that harm the public interest and in the category of destructive acts according to Al-Ghazali were the hoarding of goods and falsify money. It was considered a destructive act because it affected the market imbalances that ultimately harm the interests of the general public.

Al-Ghazali also argued in detail about the process of the formation of the "market" naturally. The market formed by the drive to each other's needs. Al-Ghazali uses the term *blacksmith*, *carpenter*, and *farmers* to exchange ownership in order to meet their individual needs. Naturally will form a place called "the market" to exchange if the needs of each different. Al-Ghazali later found on the grounds of trade (exchange) there will be a movement of goods from one place to another. The main motive behind this activity is to raise capital and profits. Adam Smith (1723-1790) who lived 700 years after Al-Ghazali said that the term is almost similar to the view of Al-Ghazali when describing the process of formation of the market (the exchange), but uses a different term, namely *butcher*, *brewers*, and *baker*

"It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love." (Adam Smith, *The Wealth of Nation*)."

Although Al-Ghazali was not much theorized about the law of supply-demand markets such as in the textbooks current economy, but many thoughts can be found in his book, especially *Ihya 'Ulum al-Din* that shows the depth of his understanding of the law of supply-demand market. For example, he said, *"When a farmer can not find a buyer for their crops then he would sell it for less."* [18]. Al-Ghazali

also seems to know much about the 'price-inelastic demand. This is evident in his advice not to take profits high in trade goods of basic human needs such as food.

"Money was created to facilitate the exchange in economic transactions."

Al-Ghazali deeply understands the function of money as a medium of exchange (medium of exchange). The exchange of goods and services will not be effective if only rely on barter system. This is where the benefits of God's creation called dinars and dirhams that have intrinsic value and can be used as a medium of exchange

Al-Ghazali said that:

"possession of money (dinar and dirham) is not useful unless it is used as a means of exchange of goods and services." [18].

Money does not only serve as a medium of exchange but also as a measure of. Al-Ghazali reminds again that we should not practice usury, as in his words:

"If one trade dinar and dirham to get the dinar and dirham, he made the dinar and dirham as the destination. This is in contrast to the function of the dinar and dirham. Money was not created to make money. Doing so is an offense. Dinar and Dirham is a tool to get other items. They are not meant for themselves." (Al-Ghazali, Ihya 'Ulum al-Din).

Al-Ghazali also think about the functions of the State and the authorities in the regulation of economic activity. Economic progress will be achieved if there is justice, peace, prosperity, and stability. And this is the scope of the state's responsibility to make it happen. Furthermore, Al-Ghazali also talked about the concept of public finances. State revenues derived from zakat, fai, ghanimah and jizya. As for public expenditure, Al-Ghazali advocated the necessity of building socio-economic infrastructure that benefit can be felt directly by the people.

3.1.1 The Concept of Money

In his monumental work, Ihya 'Ulum ad-Din, al-Ghazali defines that money is the item or object that serves as a means to get other items. The object is considered to have no value as item (intrinsic value). Therefore, he likens the money as a mirror that does not have their own color, but can reflect all kinds of colors. Refer to these criteria, in terms of defining money, he not only emphasizes on the aspects of the functions of money. Such a definition is more perfect than the limits set out most of the more conventional economists define money that was limited to the functions inherent in money itself.

Therefore, according to Al-Ghazali money just as the standard price of the goods or things then money has no intrinsic value. Or more precisely the intrinsic value of a currency that is shown by his real existence has never been considered. Al-Ghazali's contention that money has no intrinsic value is ultimately related to the issues surrounding the demand for money, usury, and selling currencies.

First, the prohibition of hoarding money. In the Islamic concept, money is the public body that has a significant role in the economy. Therefore, when the money

withdrawn from circulation, would lose an important function. For that reason, the practice of hoarding money strictly prohibited in Islam because instability will affect the economy of a society. According to Al-Ghazali the basic reason the prohibition of hoarding cash because such action would eliminate the inherent function of money. As mentioned, the purpose is to make money circulating in the community as a means of transaction and not to be monopolized by certain groups. In fact, the worst effects of the practicalities of hoarding money is inflation.

In this case, economic theory explains that the amount of money in circulation and the quantity of goods available at the same time close inverse relationship. If the money supply exceeds the amount of goods available, there will be inflation. Conversely, if the money supply was less than the items available there will be deflation. Both that economic diseases should be avoided so that between the money supply and the goods available in the market balanced.

Second, the problem of usury. In simple terms riba is addition to the principal capital obtained by way of vanity. Explicitly usury prohibition contained in the Qur'an Surat Al-Baqarah verse 275, 278-279, Ar-Rum 29, An-Nisa '160-161, and Ali Imran 130. The fundamental reason of Al-Ghazali in the usury related to money is based on the purpose of the printed money itself, only as a medium of exchange and standard of value of goods only, not as a commodity. Therefore, the act of usury by way of exchange of the kind of money is out of the action that the original purpose of the creation of money and prohibited by religion.

Third, buying and selling currencies. One of the things included in the category of riba is buying and selling currencies. In this regard, Al-Ghazali's ban such practices. For him, if the practice of currency trading is allowed the same as letting someone else make money hoarding practices that will result in a scarcity of money in society. Since the sale, the money will only be circulating in certain circles, the rich people. This action was unjust. So a bit of a view of Al-Ghazali is filled with the spirit of universal humanity and Islamic ethics.

In the concept of money, Al Ghazali discussed money with regard to the function and role of money in the economy, where its function is as a tool in the transaction that should not be piled, nor should it be taken avail interest rate, and also allowed buying and selling currencies in limited scope or intended as a medium of payment of trade between countries. We shall analyze that Al Ghazali noticed money as a medium of transaction is more likely, even if the money was considered as capital, then it related to the role of money in the ability to produce goods and services, or in other words as a productive means of production, which in turn will be able to be a factor which spur the growth of the production of goods and services in the economy.

3.1.2 Social Welfare Function

Al Ghazali who stated that the needs of human life consist of three, the primary need (darruriyyah), secondary

(hajiat), and a luxurious necessity (takhsiniyyat). Hierarchy of needs theory is then 'taken' by William Senior Nassau which states that human needs consist of basic needs (necessity), secondary (Decency), and tertiary needs (luxury). Al-Ghazali was also expressed about the main purpose of the application of sharia is a matter of religion or religion, life, thoughts, lineage, and wealth is concerned with economic problems.

According to Anas Mustafa Zarqa (1980), Imam Al-Ghazali was the first Muslim scholar formulated the concept of a social welfare function. In discussing human issues, including economic activity, Imam al-Ghazali always refers to the concept of benefit (welfare) as its central theme. He said the goal is to preserve beneficiary lies in the protection of Islamic religion (din), soul (nafs), intellect (aql), descendant (nasl) and property (mal).

So if we study the concept of welfare as those described in the thought of Al Ghazali, then we view the ideas and thoughts about the welfare which its include physical and non-physical aspects, so that it were broader than just the economic aspects alone, but also involved the welfare of humanity broadly. This implies that the notion of economic growth in the physical sense was further discussed by Al-Ghazali, because aspects of welfare in a broader senses already mentioned and discussed in his thoughts.

3.1.3 Demand, Supply, Prices and Profit

Imagine if the activity patterns rely on barter trade or economic life is too many rules governed. Probably not grow and the price distortions would be so great. That is why the idea of the necessity of trading activity is determined by the law of supply and demand, long before the advent of modern economic thinking-has been expressed by Islamic thinkers.

Imam al-Ghazali explicitly acknowledges mutuality in economic exchange that requires specialization and division of labor and resource areas. He realized that trading activity adds value to goods trade because they can make the goods reach at the right time and place. Driven by self-interest of people, were causing exchange intermediaries who seek to profit, that was traded. Further, he stated that trade is essential for the proper functioning properly progressive economy. Imam al Ghazali also mentions the need for a secure trade routes and safe. The State shall provide protection so that the market can expand and grow the economy.

One is the view of Abu Hamid al-Ghazali. Probably quite a surprise when he presents a detailed explanation of the role of trading activity and the emergence of market prices move according to the forces of demand and supply. Understandably, he was known as an expert in Sufism.

For al-Ghazali market is part of the "natural order". In detail, also describes how the evolution of the creation of the market. Al Ghazali stated:

“farmers can only live where agricultural equipment is not available, otherwise blacksmith and carpenter living in which there is no agricultural land. But naturally, they will meet their individual needs. carpenter may also need to eat, but farmers do not need such tools or otherwise. This

situation raises a problem. Therefore, it naturally also people will be encouraged to provide storage of tools in one hand and a storage area results in line with the needs of each market forming. Farmers, carpenters and blacksmiths who can not immediately make exchanges also encouraged to go into this market. When the market was also not found people to barter, he will sell to traders at a relatively cheap price and then stored as inventory. Traders then sell with a profit rate. This applies to every item.”

Imam Ghazali had also explained regional trade explicitly. Al Ghazali said:

"Furthermore, these practices occur in different cities and countries. People travel to different places to get food tools and take it to another place. Economic affairs people eventually organized into cities where not all food needs. This condition in turn raises the need for transportation. Creating regional merchant class in society. and his motive of profit, of course. The merchants are working hard to meet the needs of others and make a profit and livelihood by others as well. (Ihya, III: 227).

Imam Ghazali Clearly aware of the difficulties of barter system, the need for specialization and division of labor according to regional and local resources. He also realized the importance of trade to provide added value to provide it at the time and place where needed. Al-Ghazali also introduced the theory of supply and demand: if the farmers do not get a buyer, he would sell it at a cheaper price, and the price can be lowered by increasing the number of goods in the market. Al Ghazali also introduced the elasticity of demand, he identifies the demand for food products is inelastic, because food is a basic necessity. Because the food trade high profit motive should be minimized, if you want to get high profit from trading, should look for items that are not a necessity.

Imam Ghazali and thinkers of his time when talking about prices are usually directly related it to profit. Profits had not been clearly linked to income and expenses. For Ghazali profit is the compensation of weary travel, business risk, and threat of personal safety of merchants (Ulumuddin Ihya, IV, 110). Although he did not agree with the excessive profit to be motivated traders, but according to Al-Ghazali, that profit were the motivation of the traders. But for Al Ghazali real profit is a benefit in the hereafter (Ihya Ulumuddin, II :75-6, 84).

So that the growing trade activities running, with the motivation to make a profit, make greater economic activity in the quantity of goods and services that can be produced, of course this will make the economy grow and become increasingly extends.

3.1.4 Taxes

According to Imam al-Ghazali, if the condition of the State needs soldiers to guard and protect the territory from all kinds of threats, while the state treasury was not enough, the government reserves the right to collect taxes from the people who can afford. In this case, it requires that the State government was a credible government, the financial condition of the State is really empty, and this is just a

special tax policy imposed on the condition, which is to meet the needs of the army alone.

Al Ghazali discussed the public finances by reviewing the two sides, which discussed the budget in terms of revenue and expenditure side or spending. He explained the various sources of incomes follow the Islamic rules that determine which is allowed revenue, such as zakat, waqf, shodaqoh of the Muslims, and the jizya from non-Muslims which have protection from the state, there is also revenue from the booty, and fai. So these income sources are not just following the needs and habits of society but must be obtained in which legal and lawful manner.

Al-Ghazali also contributed additional ideas in the application of tax that has been set out with a definite clear in Islamic rule, namely the rule set if necessary in the circumstances, for example to finance and maintain the public good, such as the need for additional financing of national defense, or the protection of the poor or neglected children, it is justified in keeping for the benefit of additional tax determined, by considering the ability to pay of the citizens and the effects on economic activity in general.

Al-Ghazali also talked about ideas and thoughts about the possibility of a loan made by the state, which the state requires financial resources to carry out its functions, such conduct public facilities financing, or financing for the armed forces and other public interests. Of course this will have an effect on the general welfare of society, for example in the procurement and provision of public facilities, then this will provide a positive multiplier effect to the activities of citizens and societies.

The other matters highlighted by Al-Ghazali is on the sides and aspects of expenditure made by the state, as part of balancing the public finances, the state's expenses and expenditures are discussed in more flexible and broadly covers the enforcement of justice, national security, community development more prosperous, which all the focus on how the state can perform its functions in accordance with the priority of interests to be achieved.

If we examine the ideas and thoughts of Al Ghazali above, then we viewed that in the discussion area of public finance, the focus of the Al Ghazali's goals are, how the role and function of the state as an institution that will give the benefit and welfare for the citizens and societies that could be achieved with the financial arrangements. This ideas are very similar to the welfare of economic thoughts in the contemporary ideas today.

4. Discussion: Contributions to Economic Growth Theory

4.1. Money in Growth Theory

Thoughts on the development or growth of Al Ghazali that economic growth and equity, is constructed with some other basic ideas, namely, previously, he discusses the fundamental issues about money as a component that plays a role in the economy, especially in the function as a medium of exchange between the producers of goods and services to the users of goods and services, , Or in other words that the interaction between producers as producers of goods and the bidder of goods to consumers as users of the goods or the demander of goods and services to be performed by the media they consume through a medium of exchange in the form of money.

That is one thing that a detailed discussion of the underlying and fundamental thought of Al Ghazali. Then Al Ghazali continued discussion regarding the interaction between the strength of the market from manufacturers that produce goods and services represented by the supply side and the strength of consumers in asking for the items to be consumed as represented by the demand side, Al Ghazali see that this interaction is something that is natural means that the interaction of market forces are the supply side and the demand side will work under conditions where the power relying to a lot and lack of the goods and services produced and requested, means he gives emphasis to the things that free markets must be in pristine condition of stress or disorders that cause irregularities in the normal operation of the market, so he explains his analysis in the aspect of the formation of a fair balance of the market.

4.2 Market Mechanism

Thoughts about the market and its mechanism then becomes underlying case when Al Ghazali discusses his ideas regarding the role of government in maintaining the sustainability of natural markets, and how the role of government in maintaining public policy through taxation. Furthermore, Al-Ghazali provide opinion and analysis in the development of economic society by further discuss the trade practices between regions or within certain limits to international trade, he argues that the region's trade is due to the profit motive of the traders who look at the need for goods by consumers in a region that can not be satisfied by its local production, meaning that Al Ghazali look at the inter-regional trade is an extension of the practice in the discussion of the theory of supply and demand in the market mechanisms that have previously been discussed.

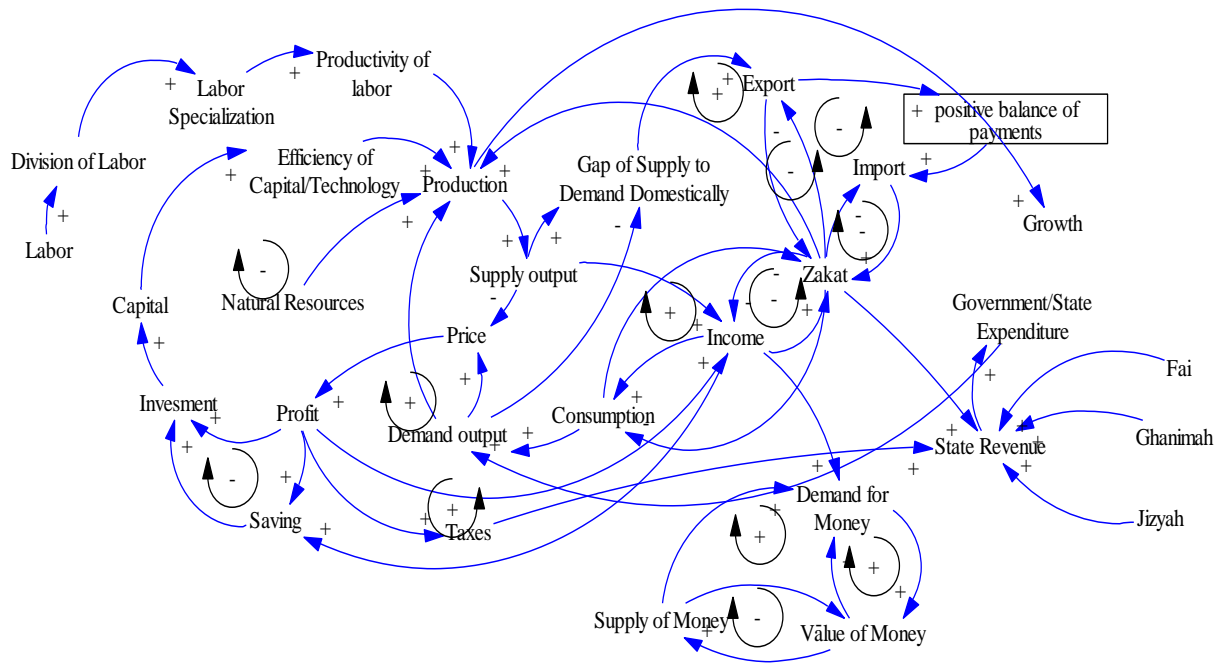


Fig. 2. : Al Ghazali's View Of Economic Growth

More profound, he saw that a gap in demand and supply of goods and services in the local area which is then filled with the fulfillment of other regions through trade between regions are a consequence of differences in the type and amount of goods that can be produced. This is a consequence of the division of labor and the perpetuation of the division of labor and specialization of labor in the economy and other areas. This thought explains that Al-Ghazali has been connecting how the production of goods produced and distributed is a consequence of the division of labor and specialization remains the work, or in other words he has linked the theory of demand and supply which occurs with the market mechanism and subsequently connected him to the regional trade / international and linking it with the concept of money especially as a medium of exchange and measuring instruments values and the role of government in the economy in order to keep the course running in natural conditions without the negative distortion that causes the interests and welfare and prosperity can be achieved.

From the description of Al Ghazali's economic thought, it can be seen that he had spoken on aspects of how the economy can be set in the Islamic social welfare function provides the base for the basic values of Islam (and Islamic monotheism) and how they can be run in the framework of the economic mechanisms that follow natural law (sunnatulloh) which can be described objectively. It is explaining that he has contributed thoughts on how the economy should grow by looking at the interaction of various factors and conditions as described previously.

5. CONCLUSIONS

From the above discussion, it can be view that the thoughts and ideas of Al Ghazali in the fields of economics and economic growth have relevance and interconnectedness with each other, so it can be concluded that the thoughts and ideas they provide color and direction of development economics in future.

His thoughts and ideas about the economic themes that subsequently form a thought in economic growth, which means that his thinking constitutes the frame and maps of how the study of the growth of an economy should be assessed. This provides a future direction that the discussion of economic growth should be discussed and studied by involving economic aspects and themes in a more comprehensive way.

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