



Book Analysis (Muqadimmah) Ibn Khaldun: Application Based on Entrepreneurship

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Article Information

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To Cite This Article:

M.A. Hafizuddin., (2020) Book Analysis (Muqadimmah) Ibn Khaldun: Application Based on Entrepreneurship, *Journal of Management and Tourism Research*, Vol III Issue II, pp.1-8, http://www.uwu.ac.lk/wp-content/uploads/2020/JMTR_V3I2_cH1.PDF

Keywords:

Muqadimmah
Ibn Khaldun
Entrepreneurship

Printed: ISSN 2630-788X
Online : ISSN 2714-1691

Abstract

Nowadays Muslim and non-Muslim scholars are still doing studied and debated critically on the masterpiece of Ibn Khaldun namely Muqadimmah. The Muqadimmah is a book written by Islamic Scholar name Ibn Khaldun which records an early view of universal histories such as Islamic theology, historiography, the philosophy of history, economics, political theory, and ecology. Ibn Khaldun conceived a new philosophy known as 'ilm al-'umran, an idea designed specifically to address the problems of society and nation in development. In summary Ibn Khaldun's philosophy of society covers a varied range of history, politics, geography, sociology, economics, religion, and science. These fields focus on societal, humanitarian, and national issues and their relation to the laws of nature and social events ranging from people who live in the desert to urban life and from one place to another up onto the international level. This paper discussed entrepreneurship aspects according to Ibn Khaldun's philosophy. The method used is refer to scientific material related on entrepreneurship. The theory discussed in this paper will enhance the knowledge to entrepreneurs in the field of a viable business. This study has successfully inferred the relevance of Ibn Khaldun's philosophy as a systematic study on entrepreneurship as it is widely known that entrepreneurship plays a decisive role within the economy and towards a life prosperity among the humanity including nations.

Introduction

Biography of Ibn Khaldun

According to Imam Munawir (1985) his full name was Abdul Rahman Abu Zain Waliuddin ibn Muhammad ibn Khaldun al-Malili al-Hadrami. Khaldun is a nickname he takes after his grandfather. Khaldun is from the Hadrami tribe but his real name is Khalid. Since he was a clever and well-known figure for his wisdom then his original name Khalid was added with the letters Wau and Nun to Khalidun. He was born in the year 1 Ramadhan 732H/27 May, 1332M in Tunisia North Africa, and died in the city of Cairo on 26 Ramadhan, 808H/6 March 1406 M at the age of 76.

Ibn Khaldun Education

The Gubbah Mosque in Tunisia is the first institution of Ibn Khaldun receive an Islamic education. Ibn Khaldun initially studied the Quran as the beginning of his education with his teacher named Muhammad ibn Saad ibn Bural. It is because of this incredible influence that Ibn-Khaldun has mastered the knowledge of Qira'ah al-Sab'ah (the art of Quranic song). At a young age, he was able to master various kinds of knowledge such as science, *hadith*, *fiqh*, *tawhid* and the *usul fiqh*. Ibn Khaldun learned Arabic from his own father as well as other prominent teachers such as Sheikh Muhammad al-Zarzali, Sheikh Ahmad ibn al-Qabar and Sheikh Muhammad ibn Bakr. He studied literature with Sheikh Shamsuddin Muhammad ibn Jabir and fiqh knowledge through Sheikh Muhammad ibn Abdullah al-Ajayjani and others. At Ages 7 to 15 are an age journey, he spent learning through the most gifted teachers.

Ibn Khaldun Contribution and Thought on Islamic Knowledge

Ibn Khaldun has left many valuable contributions to human civilization. He has also been able to analyze history from the social, economic, political and educational aspects of his work. He has, at the very least, given knowledge and the best guidance on the foundation of civilization. He argues that civilization stands firm because of the combination of spiritual and physical superiority. Ibn-Khaldun was the forerunner of modern thinking, especially in the areas of history, politics, economics, sociology, and education. Ibn Khaldun's success led scholars to recognize his work as Al Muqadimmah as a study and reference material in these fields. Praise for him to this day. His thoughts are often given in lectures, seminar themes, workshops and scientific conferences, as well as titles in books and theses at higher education. A prestigious scientific award is named after him, Ibn Khaldun Chair of Islamic Studies at American University. Ibn Khaldun's name also given into a prominent university in Jakarta Indonesia, namely Ibn Khaldun University.

The Great Work of Ibn Khaldun

Ibn-Khaldun's involvement in the administration for 20 years reflects his thoughts and experiences. Because of his combination of experience, knowledge, and creativity, he has produced works such as *Al-Ibar Wa DiwanAl-Mubtada Wal Khabar Fi Ayamil Arab Wal Ajam Wal Babrar Wa Man Asarahum Min Zawi Al-Sultan Al-Akbar known as Muqaddimah Ibn Khaldun*. Ibn-Khaldun's Muqaddimah is more quality and influential to human thoughts. He succeeded in refining the history of science by making rational as a non-fanatic historical factual benchmark an unproven report, and outlined four things historians need to do in researching and analyzing historical reports, namely comparing past events based on causal methods and reasonable. Reviewing past events to provide an update on current events,

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Submitted: June 06, 2020; Revised: Oct 05, 2020; Accepted: Oct 15, 2020

taking into account the climate and environmental influences on what is happening. Considering the economic and cultural position of the event.

Research Method

This paper was a library research through a qualitative approach. Data collection are used as a document technique by gathering data within the scope of entrepreneurship, quoting and synchronizing with other posts and drawing conclusions as well as studied from other scholar literature articles, books, journals, and academic writings that related to one another with theme of Ibn Khaldun philosophy based on Entrepreneurship and the next step was to reduce data on categorization unit preparation and finally data interpretation.

Entrepreneurship

An entrepreneurial career is not just about making a profit on your personal and family needs. In fact, what is more important is that entrepreneurs offer welfare services to the community by meeting their need for the goods or services they desire. In other words, this activity is not just an attempt to get profit by increasing capital and effort or as a mechanism for the exchange of necessities but it is also an attempt to provide social service to society and to build a civilization of its people and its future. In essence, human capabilities and skills are limited while their wants and needs are varied through several areas of entrepreneurship as it is possible to meet these necessity and desire based on their capabilities.

Book Analysis Muqadimmah (Philosophy Ibn Khaldun : 'Ilm 'Umran, Theory)

This 'Umran philosophy was developed by Ibn Khaldun in the 14th century. Ibn Khaldun defines 'Umran as a social phenomenon driven by a group of people working together in an urban or rural area in a sovereign and influential country with the aim of meeting the needs of a comfortable and prosperous life either spiritually or physically based on religion and morality and the laws and regulations of the creation of man and nature of God. Ibn Khaldun divided 'umran into two types (*العمران الحضري*) in the city and the second out of the city (*العمران البدوي*). Later, Ibn Khaldun divided the scope of ilm 'umran into several areas:

1. 'Umran ardi,' means the prosperity of the earth which refers to the development and prosperity of the earth. Where human beings are the caliphs of God strive to develop the earth towards prosperity specific to economic development through agricultural and mining enterprises. To achieve this prosperity or economic development requires human capital.
2. 'Umran Badawi - 'Umran Hadari: 'Umran Badawi is on the outskirts of the city and between hills and mountains and in the desert. While 'Umran Hadari is in cities, towns and villages.
3. 'Umran alam - Universal society.

Among the areas of knowledge, 'Ilmu Umran within the social group are sociology (village and city) social solidarity, dialectical theory, sociology-history, sociology-politics, economics, philosophy, and logic. In the context of development, it requires leaders, administrators, and managers who have qualities like efficiency, trust, honesty, and so on to achieve their true purpose. Ibn Khaldun's Economic Philosophy has developed several principles and economic philosophies such as justice, pride, cooperation, and simplicity. With regard to justice, Ibn Khaldun has emphasized that justice is the backbone and strength of an economy. The greatest example of Ibn Khaldun's greatest injustice is to own another's a property in the wrong way by buying his property at the lowest price and selling the goods to him at the most expensive price by force. Based on Entrepreneurship, the labor force is needed, money cannot create wealth but what constitutes real wealth is output (the labors force which had the skill, competency, knowledge). The greater the number of laborers offered, the higher the level of production and the wealth of the nation will be.

Next, the source of 'Umran, In addition to human resources, according to Ibn Khaldun, physical factors such as climate must also be considered as the cause and source of 'Umran in accordance with social life. Climate means air, water, land and grassland for livestock purposes. According to Ibn Khaldun, the source and decree (ummah) of 'Umran originated from nature and hence from it came to its source which is physical nature such as air, water and land, and socio-cultural including religion, morals, and science. From a scientific

standpoint, each science has its scope, methods, and principles. Natural laws such as air, groundwater, plants affect human life as well as the laws of society in the form of piety, morals, ethics, and unity towards the balance of life in society and nation. The purpose of this balance is to say 'umran are peace, prosperity, and affluence. Usually when religious values, and morals collapse, disunity, anarchy, and war occur coupled with a hostile climate, it causes the people to become unbalanced and collapse.

Then, The source of 'Umran's knowledge, according to Ibn Khaldun is divided into 3 namely the creed and the sharia, the government, and the intellect. Religion and morals are the heartbeats of the 'umran (prosperity). This state is triggered by three stages: al-daruriyyah, al-hajjiyyah and kamali / al-tahsiniyyah. These terms are borrowed from the terms of 'Usul Fiqh. According to the scholars of al-daruriyyah, what is meant by al-daruriyyah is basic needs such as religion, life, intellect, posterity, and wealth (maqasid shariah). Such as food, shelter, clothing, medicine, and education. In this regard, Ibn Khaldun states that as a city grows and its population grows, the prices of basic necessities will fall while the prices of luxury goods will rise. On the other hand, if a city is small, the price of basic goods will fall and the price of luxury will fall. This is because food and hygiene items related to basic needs are of primary concern. Al-Hajjiyyah, on the other hand, makes it easier for people to live in the world and the afterlife to be more perfect and organized. is like a qasar prayer and breaks the fast for travelers. Kamali/al-tahsiniyyah is a complement to the al-hajjiyyah and is not essential to human needs but if it is acquired then its level of life will be more comfortable and better. Ibn Khaldun argues that these items are demanded by a few individuals and that they are offered in small quantities and increase the price.

Next, Ibn Khaldun also described:

- A) **Business Cycle Theory**, 1) The theory of the occupation cycle 2) The theory of the taxation of taxation (Theory of the relationship between population and tax rate. According to Ibn Khaldun, the increase in population caused the government to raise taxes to exceed property values and create new taxes. The community is not interested in doing business and the real estate sector will be abandoned because of the high taxes and profitability it has destroyed.).
- B) **Second, "International Trade Theory"**: Ibn Khaldun advocates for an independent international business, which ensures that the public has a surplus of merchandise and can sell it abroad for a number of profits. According to Ibn Khaldun, international business is based on the difference between the skills of urban workers in one country and another, not in terms of physical strength or natural grace. This is because international trade takes place between cities that produce different products and there are exchange activities between them that bring about 'umran prosperity.

In this regard Ibn Khaldun also discusses the concept of request, consulting offer, and concepts of price.

Concept of Request

The concept of demand is people's desire to use a product. Then there is the need for national spending. In the context of entrepreneurship, all types of entrepreneurship will grow and increase when the supply of products is very high. On the contrary, as demand declines, all the products out will decrease and the entrepreneurs are starting to learn to cope with the problem. When a product becomes a source of demand, thus pushing it from the supply side, people will be able to learn what skills are needed. From an entrepreneurial standpoint, several points should be taken into account in the concept of bidding including looking at the number of people in a place. Because this is one way to increase the demand for this product because as the population grows, so does the number of consumers called the production cycle theory. Then the 'umran prosperity of the people will increase and the employment opportunity will increase.

Consulting Offer

Ibn Khaldun also in his book of muqadimmah concludes that the cost of agricultural produce greatly affects the supply side of the economy as price increases will affect the cost or revenue. The factors determining according to Ibn Khaldun were demand, level of human effort, labor including knowledge, ability, technical ability, peace and security, and overall community development. According to Ibn Khaldun, an individual will not be able to meet

his or her own economic needs unless they cooperate with the division of labor and their expertise.

Concept of Price

The definition of the price is the value of a specified commodity and is also attributed to the low value of a product or service that can be measured with money. According to Ibn Khaldun, prices are the result of demand and supply laws. Ibn Khaldun concluded that reasonable prices were neither too high nor too low to be the best way to ensure the well-being of the people and the nation. In this way, the public will enjoy a fair price from the products. On the other hand, if the price of the product is too low or too high it will endanger the life and well-being of the community.

It was Franz Rosenthal who translated Ibn Khaldun's Muqaddimah book into: Then, when a city has a highly developed, abundant civilization and is full of luxuries, there is a very large demand for those conveniences and for having as many of them as a person can expect in view of his situation. This results in a very great shortage of such things. Many will bid for them, but they will be in short supply. They will be needed for many purposes, and prosperous people used to luxuries will pay exorbitant prices for them, because they need them more than others. Thus, as one can see, prices come to be high. Furthermore in The Muqaddimah: An Introduction to History stated that: "When a city is highly developed and has many inhabitants, the prices of necessary foodstuffs and corresponding items are low...".

According to Ibn Khaldun the price of goods consists of three elements namely salary/wages, profit, and taxes. These three elements are a return to society. Salary/wages is a return to the manufacturer. According to Ibn Khaldun, the price value of a commodity is equal to the quantity of labor involved in the production of the goods. Profit is the return of the trader. According to Ibn Khaldun the profit is the result of the difference that traders make between the selling price and the purchase price determined by the market through the power of demand and supply. He added that trading is an attempt to make a profit by raising the amount of capital that is to buy goods at low prices and selling them at high prices to adapt to the changing times and places. While Taxes are returns to government and civil servants. The tax rates charged vary from one person to another based on the wealth of the government and the people where the amount of tax collected is based on the power of demand and supply, which is determined by the income of the people and their willingness to pay. These three elements of return are determined by the demand and supply mechanisms.

Applying Ibn Khaldun Muqaddimah with the Entrepreneurship

Ibn Khaldun's definition of entrepreneurship, he stated at his muqaddimah that entrepreneurs who are trying hard to make a gain for their economic activities which they spend time, energy and capital to search for goods and service to buy on a low cost and sell with demands cost in order to make a profit. Furthermore, Ibn Khaldun stressed the circled interaction of all socio-economic and political variables namely political authority, the Shariah, people, resources, development, and justice in which each variable influences the others and is influenced by others. Nurul Huda's study (2016) examines the thoughts Ibn Khaldun by trying to understand by the theoretical framework of his economic thinking. As a result, there are two approaches underlying the economic thought of Ibn Khaldun; first the sociological approach, namely depiction of Ibn Khaldun in observing and analyzing various ongoing economic activities in society. Second, juridical approach, legal provisions provisions used to normalize economic activity in order to run well with factors that underlie economic activity namely freedom and justice.

Another study by Hendra Pertaminawati (2016), studying the concept of Ibn Khaldun's market mechanism and pricing in Islamic Economics. He explained that the market mechanism of pricing is the free market trends to keep market price stability, thus rising to the same amount of supply and demand. Supply and demand are not always in stability and some markets may not achieve stable rapidly when circumstances suddenly change, but the trend persists, that the market usually leads to stability. Furthermore the study by Dimas Dwi Setiawan (2018), exposed Ibn Khaldun has a concept of free trade that is still relevant nowadays. The concept includes supply and demand, market balance, production, and distribution. Then, Norsazali and Mohd Daud Awang (n.d) on their journal-title "Islamic Entrepreneurship economy according to Ibnu Khaldun economic theory" have succeeded to proof that Ibnu Khaldun theory quite relevant to consider as entrepreneurship Islamic theory systematically. It also emphasizes that there are two important factors in Islamic entrepreneurship as efficiently of Human Capital and Financial management.

Based on Entrepreneurship in chapter 30 "Muqaddimah" entitled "Khat and Writing are one of the fields of crafts and human creation". In this clause, Ibn Khaldun states that "The art of circumcision is one of the advantages of man that is not present in animals as it is produced through learning in cooperation between society (على قدر الاجتماع) and 'umran (العمران). He further expanded on his muqaddimah writing, another example is woodworking, and knitting. (Vol. II, 313). The stated above mentioned that it can be one of business/entrepreneurship by a person who had the skill, knowledge, and competency to get profit and give benefits to the customers because he added at page 289 the Muqaddimah stated that " the revenue human beings make is the value from their labor. As man is a creature of production and that is what makes man regarded as an economic being. So in the production process required labor and specialization because specialized labor is more profitable than natural resources.

As an entrepreneur, apart of skill, knowledge, and competency, the spirituality is also important. Ibn Khaldun at his muqaddimah also outlines several principles and philosophies related to the Islamic economy based on spirituality, such as justice, diligence, cooperation, simplicity, and equality. According to Ibn Khaldun, justice is the backbone of this entrepreneurial economic strength because in the event of injustice, it will destroy the country's economy and led to the collapse of civilization ('Umran). Second, keep practices of economics in the right ways. Next is, teamwork, as cooperation among entrepreneurs, is important for communication and implementation of economic activities such as business partners, investments and so on. This is because, through cooperation, the human needs can fulfill.

Applying Ibn Khaldun Muqaddimah with the Entrepreneurship based on the context of Brunei Darussalam

Next, looking at Ibn Khaldun's theory, he emphasized two important aspects of entrepreneurship, namely human resources skilled in entrepreneurship and efficient human capital. Mastery of entrepreneurial knowledge can enable an entrepreneur to manage his business effectively such as the production of new products, business improvement of either goods or services. In the context of Brunei Darussalam, various government efforts have been made to enhance and provide opportunities for its citizens to venture into entrepreneurship to improve skills and become efficient human capital. Among them is the youth entrepreneurship ecosystem handbook. This handbook hopes to serve as a guide towards the journey as a youth entrepreneur (18 to 40 years old) to help them decide on the right programs or scheme for their business. It comprises of business opportunities, access to financial capital, infrastructure and facilities, capacity building, shared business support services as well as market access. To create more opportunities for youths to start, own, manage and run a business, a range of programs are available facilitated by various agencies. Capacity building and shared support services such as mentorship network will be offered. Financing schemes are available to address the needs of entrepreneurs to secure capital to establish and grow their business. Infrastructure such as ready-built factories, office premises and co-working spaces are available for entrepreneurs to leverage on. Furthermore, contracts from industries in both public and private sectors will be ring-fenced for youth entrepreneurs to competitively bid for. These initiatives will drive youth entrepreneurship in which is vital for the development of MSMEs and job creation for the long-term sustainable economic development of the country.



Figure 1.0 Youth Entrepreneurship Ecosystem Brunei Darussalam

Conclusions

Briefly, in his Economic philosophy in his book Muqadimmah, Ibn Khaldun analyses and integrates all multidisciplinary factors that contribute to the development and falling of economy and business. Although he did not live in a modern world, Ibn Khaldun masterpiece Muqadimmah provided a contemporary interpretation of economic including entrepreneurship development, as well as Ilm Umran and also all the concepts that had been discussed at this writing. Furthermore, based on the concepts and studies developed the scriptures and empirical facts in the context of Brunei Darussalam, it has very clearly shown the commandment about the importance of building or strengthen internal and external entrepreneurial skills with one of the ventures is DARE (Darussalam Enterprise) which is a Statutory Body that aims to nurture and support local enterprises from start-up to growth. DARE works closely with government and non-government agencies locally and abroad to foster the growth of business enterprises. Through DARE, a common and unified approach is taken to direct, support, and encourage the growth of local enterprises under a single body represented and driven by the private sector.

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