

CHAPTER I

INTRODUCTION

1.1 Background

Dennis Meadows in 1970s, a book called Limits to Growth which was the result of a study from the Club of Rome shocked the world community. Because, in the book it was revealed that based on models and computer simulations from the Massachusetts Institute of Technology, if the rate of utilization of natural resources as happened in the 1960s, it is estimated that a lot of natural resources will be drained in the middle of the 21st century. The intensity of the use of natural resources and the disposal of waste into the environment by humans will exceed the carrying capacity of the earth to produce natural resources and neutralize waste safely. Furthermore, natural resource depletion and environmental pollution by various wastes will result in a sharp decline in economic growth and human welfare.

Now, after 40 years, that expert prediction in many things are almost close to reality. The level of logging and conversion of forests to agricultural, industrial, residential and infrastructure areas has not only eroded biodiversity and germplasm sources, but also damaged the hydro-orological functions of forests. In the rainy season landslides, erosion and flooding occur everywhere. When dry season, rivers and other water sources dry up, forest fires and smoke cover the atmosphere of a country and its neighboring countries. In China, the US and Africa, soil erosion and lack of water supply have reduced cereal production by an average of 5 percent / year in the past decade. Ten of the 14 major fishing areas in the world have experienced fully exploited or overfishing, and 90% of large pelagic fish stocks (such as sharks, tuna, hamlets and marlin) have also been overfishing (Rokhmin Dahuri, 2012).

SDGs (Sustainable Development Goals) were born at the Conference on Sustainable Development carried out by the United Nations in Rio de Janeiro in 2012.

The objective of the meeting was to obtain universal shared goals that were able to maintain a balance of three dimensions of sustainable development: environmental, social and economy.

The concept of sustainable development actually has long been a concern of experts. But the term sustainability has only emerged a few decades ago, although attention to sustainability has begun since Malthus in 1798 was concerned about the availability of land in the UK due to the rapid population explosion. A century and a half later, this concern for sustainability intensified after Meadow and his colleagues in 1972 published a publication entitled *The Limit to Growth* (Meadow et al., 1972) in its conclusion, that economic growth would be severely limited by the availability of natural resources. With the limited availability of natural resources, the flow of goods and services produced from natural resources cannot always be carried out continuously (on sustainable bases).

In maintaining the balance of the three dimensions of development, the SDGs have 5 main foundations, namely human, planet, welfare, peace and partnership that want to achieve three noble goals in 2030 in the form of ending poverty, achieving equality and overcoming climate change. Poverty is still an important and main issue, in addition to two other achievements. To achieve these three noble goals, the following 17 Global Goals are described in figure 1.1. :



Figure 1.1 : 17 Symbol of Purpose of Global SDGs

The 17 (seventeen) Global Goals of the SDGs are:

1. Without Poverty. There is no poverty of any kind in all corners of the world.
2. Without starvation. No more starvation, achieving food security, improving nutrition, and encouraging sustainable agricultural cultivation.
3. Good Health and Well-Being. Ensuring a healthy life and encouraging welfare for all people of all ages.
4. Quality Education. Ensuring equal distribution of quality education and increasing learning opportunities for all people, guaranteeing inclusive and equitable education and encouraging lifelong learning opportunities for everyone.
5. Gender Equality. Achieve gender equality and empower mothers and women.
6. Clean Water and Sanitation. Ensure the availability of clean water and sustainable sanitation for everyone.
7. Clean and Affordable Energy. Ensure access to affordable, reliable, sustainable and modern energy sources for everyone.
8. Economic Growth and Decent Work. Support sustainable and inclusive economic development, full and productive employment, and decent work for everyone.
9. Industry, Innovation and Infrastructure. Building quality infrastructure, fostering an inclusive and sustainable industry and encouraging innovation.
10. Reducing Gaps. Reducing inequality both within a country and among countries in the world.
11. City and Community Sustainability. Build cities and settlements that are inclusive, quality, safe, resilient and sustainable.

12. Responsible Consumption and Production. Guarantee the continuity of consumption and production patterns.
13. According to climate. Act quickly to combat climate change and its effects.
14. Underwater Life. Preserve and maintain the sustainability of the sea and the life of marine resources for the development of sustainable development.
15. Life on the ground. Protect, restore, and increase the sustainability of the use of terrestrial ecosystems, manage forests sustainably, reduce barren land and exchange land, fight desertification, stop and restore land degradation, and stop loss of biodiversity.
16. Strong and peaceful judicial institutions. Enhancing peace including the community for sustainable development, providing access to justice for all people including institutions and being responsible for all circles, as well as building effective, accountable and inclusive institutions at all levels.
17. Partnership to Achieve Goals. Strengthen implementation and revive global partnerships for sustainable development.

Responding to the 17 Global Goals, the President of the United Nations General Assembly stressed that the ambitions of the UN member countries would only be achieved if the world had been peaceful, safe and respectful of human rights not in a world where investment in weapons and war was greater so as to partially destroy large resources that have become a commitment to invest in sustainable development.

Global research on environmental crisis states that our environment is in a very serious problem. There are a variety of causes, but the main ones include environmental damage done by humans, including the illegal weather modification program Clandestine, including the spread of aerosol chemtrails that are very toxic to each of our breaths, major damage to habitats, unsustainable fuel use, deforestation, mining, and overfishing. All of that is done with giant technology and has an impact on enormous destruction (Perlingieri, 2009).

In the 2000s there were many studies, researches and journals that discussed sustainable development. Sustainable development is development carried out by the current generation without ignoring the interests of future generations. Based on Islamic principles, it already exists in the Quran and Sunnah regarding the necessity of preserving

the environment. At present, the concern is how to formulate the concept of development concept based on Islamic values. In Islamic development perspective that alludes to Islamic values is related to maqashid syariah. In Islamic law, the question is whether recognizing scarcity as one of the important variables in economic development concept, especially if it is associated with sustainable development. According to Mazhab Baqir, rejecting the statement that natural resources are limited in availability, because according to them Islam does not recognize limited resources. As mentioned in Al-Qur'an "Indeed we have created everything in the exact measure" (QS al-Qamar: 49). Therefore, everything has been perfectly measured, Allah SWT has provided sufficient resources for all people in the world. Opinion that unlimited human desires are also rejected, for example humans will stop drinking or eating if their thirst or hunger has been satisfied.

Then, if sustainable development are connected with other mazhab of Islamic economic thought such as mainstream mazhab with states that scarcity in Islam recognized with the postulate used is: "And indeed We will give test to you, with a little fear, hunger, lack of wealth, soul and fruits, and give good news to those who are patient" (QS: Al-Baqarah: 155). Whereas unlimited human desires are considered natural, the postulate is: "Boast has neglected you, until you enter the tomb. Do not be like that, one day you will know (what you did)" (QS: At-Takaastur:1-3). According to that two mazhab, so based on the author's thoughts it can be concluded that the relative scarcity that comes from the inability to manage natural resources accompanied by inefficiencies in making priority scale causes various problems in economic development, its relation to sustainable development. Then the challenge in creating a model of principles and systems that can be applied in sustainable development concept that comes from the paragraph of the Al-Qur'an. The process of making technical principles certainly begins with formulating an appropriate value relating to the basis of how the syariat was created and the function of the syariat created.

In the analysis of business economics, economists still focus a lot on the relationship between economic development and natural resources. Most of the growth theories of business economics focus on the relationship between production or output with the factors of capital and labor production. But lately it feels the need to look at the role of natural resources in relation to the growth of the business economy. Because the

population is increasing in number on planet Earth, their needs will be met with natural resources that are increasingly limited. Moreover, there is an inverse relationship between the relationship of economic growth in business and natural resources. The more rapid growth of business economy, the fewer natural resources available on this earth. The Word of God in Surah Al-Imran verse 191 says: " those who remember Allah SWT while standing or sitting or lying down and thinking about creation heaven and earth (saying): Oh our God, You have not created this in vain, Blessed are You, so protect us from the torments of hell "

The excitement of modern Islamic economic thought was triggered by the growth of Islamic banking which was the realization of the idea of reshaping the economy based on Islam. This idea was related to the spirit of the revival of Islam where finance, banking and investment became the most important plots in the process of economic Islamization. Modern interest-based banking is rejected and considered un-Islamic because of the Al-Qur'an ban on usury which is interpreted as a ban on interest. The same system of security based on the principle of profit sharing is used as a basic alternative to the banking and investment world in an Islamic perspective.

Nowadays, many Muslims come to banks to apply for credit with optimism about running a business. They are not aware that they are burdened with payment of interest, because they feel that they are quite light from benefits that are disbursed without thinking of the interest to be paid. unable to think and count, it should not be related to the bank, which will bring him closer to usury because it will cause harm to him and his family. Usury which is a violation of law and deeds that are despicable in the view of Islamic syariah, so usury is very clearly prohibited by sharia as a modern business in growing or increasing usury.

Usury will create a wasteful mentality that will cause laziness in work, also it can cause property without hard work waiting for the benefits that will be obtained from others. And usury will also make other people who borrow with the elements of usury will be tormented in a mind because of thinking about the benefits that will be returned to those who borrow with a nominal loan. Therefore we as Muslims must really distance ourselves from the existence of usury, so as not to hurt or abuse others.

Islam recommends that all people will work in a lawful manner without the awkwardness of being related to the existence of usury, but the people are still not aware of the behavior they are doing with usury, because they are more concerned with the benefits that can be compared to the Islamic syariah specify. We as moral people must understand and do the prohibition that has been determined by Islamic law. Difficulties in understanding Islamic values that are not familiar with the benefits gained. Any attempt to see the prohibition of usury as a religious order will make the guideline not to hurt others people. Therefore, Islam has a view that prohibits usury so that Muslims work hard without waiting for usury from other parties.

Besides usury, Islam also strictly prohibits the system of capitalism. Various negative consequences caused by the capitalist system can be concluded that this is not justified in Islam. Because in Islam it is explained; in fostering a country's government must pay attention to the people's welfare. Whereas in capitalist ideology, it is clear that the public will feel misery and will not develop a balance in the country's economic system.

Saiful Basri explained that "Indonesia is a paradise for capitalists. Rulers only have paper (money) and are exchanged for quality commodities owned by Indonesia. Money itself is a symbol of capitalism where paper that actually has no value, but can be used to buy all the luxuries of the world. Capitalism is increasingly rampant because there is no longer a soul fighting in a generation of Indonesia such as the Banu Abassiyah who are slowly disintegrating because the fighting spirit is increasingly lost in its generation. Barturung is meant to fight capitalism". (kompasiana.com, 4 januari 2017).

To deal with the occupation of the capitalist economy, it takes an alternative solution that comes from Islam, the Islamic economic system is a system that has the view that all assets in this world actually belong to Allah SWT, as contained in the QS An-Nur: 33 which means: and give them a portion of the wealth of Allah SWT which he gave to you. "From this verse, it can be understood that the property given by Allah SWT to humans is a gift from Allah SWT that can be owned, utilized, developed and distributed according to what Allah SWT commands.

Sustainable development is a human effort to improve the quality of life while still trying not to exceed the ecosystem that supports its life. Today the problem of sustainable development has become an important issue that needs to be continuously socialized in the community. Therefore the author feels interested in exploring this concept which is then adjusted to the Islamic perspective.

1.2 Problem Identification

Based on that background, the formulation of the problem will be discussed as follows: What are the principles of Islam on Economic Development in relation to Sustainable Development on usury and capitalism?

1.3 Problem Limitation

Given the magnitude of the scope of the system analysis problem, the limitations will be given as follows: This study is a literature study of economic development related to sustainable development seen from an Islamic perspective.

1.4 Research Objective

Referring to the formulation of the problem above, the purpose of this paper is focused on identifying the concept of sustainable development in accordance with Islamic principles.

1.5 Research Benefit

This research is expected to provide a real picture of the actual situation related to the title that the author took. The usefulness expected in this study is divided into theoretical uses and practical uses.

1) Theoretical / Academic Use

- a. The results of this study are theoretically expected to be useful as a contribution of thought to the development and deepening in the field of industrial engineering. Especially sustainable development. That way can be used as a reference or literature for other researchers who want to do further research. In the context of the nature of industrial engineering, this research is also expected to show the important role of sustainable development.

2) Practical / Empirical Use

- a. For Student

The academic community in general and students in particular as reference material and input for those who will conduct further research related to the topic of the problems that exist in this study.

