



## Shifting Vision of Muhammadiyah Civilization: from Islamic Socialism to Religious Capitalism

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### ABSTRACT

#### Keywords

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Muhammadiyah is the richest Organization, with thousands of its Social Charities in the form of Amal Usaha Muhammadiyah (AUM). However, Muhammadiyah with its wealth has always been synonymous with social movements. Seeing the development of Muhammadiyah who is getting richer and the movement towards corporate, so it sees a shift to economic movements. Capitalism is one of the ideologies that develop in this world, Islam is in the vortex of world capitalism. Muhammadiyah which is part of Islam is still slumped in the vortex of capitalism, Muhammadiyah must adapt to the development of a changing world. In order to be able to respond to the challenges of the times, Muhammadiyah must rely capitalism on the ethos of the religious spirit of Muhammadiyah. Muhammadiyah's wealth ownership is one part of capitalism. The research method used is the library research method with a philosophical approach. The aim of this research is to examine the shift of the Muhammadiyah movement from Islamic Socialism to Religious Capitalism. This article shows that Muhammadiyah is filled with traders and businessmen. The evolving ethic of Muhammadiyah does not only instill an entrepreneurial ethos in its followers. However, it also appears in civilizational systems that include personality, social, political, economic, and cultural. This is seen in the fields of education and culture, health services, compensation and social empowerment, economy and welfare, philanthropy, disasters, and others. .

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### Introduction

Muhammadiyah was founded on November 18, 1912 by KH Ahmad Dahlan, At the beginning of the establishment of Muhammadiyah was filled with many entrepreneurs and traders. Infaq from traders and businessmen who supported the Muhammadiyah movement, including KH Ahmad Dahlan were also traders (I. Hakim & Muslikhati, 2022). Muhammadiyah is known as an Islamic Social organization with three pillars of work, namely healing (health services), schooling (education services), and feeding (social services). From this movement, Muhammadiyah has thousands of assets in the form of Muhammadiyah Business Charity which is growing rapidly (Burhani, 2013). The large number of assets of Muhammadiyah, makes Muhammadiyah the richest organization in the world (Pahdepie, 2020). Although Muhammadiyah is the richest organization, it

is not called an economic movement. Capitalism is one of the ideologies that develop in this world, Islam is in the vortex of world capitalism (Nashir, 2023). In the midst of the vortex of capitalism, Muhammadiyah must adapt to the development of a changing world. In order to be able to respond to the challenges of the times, Muhammadiyah must rely on the ethos of the religious spirit of Muhammadiyah (Baidhawiy, Zakiyuddin & Khairudin, 2017).

Some of the previous studies that discussed religious capitalism include research by Habiburrahman entitled "Islam and Capitalism: Meeting points and criticisms in the Qur'an" Based on research findings, the Qur'anic view of the spirit of capitalism states that humans not only worship Allah, but also pay attention to their worldly needs and try their best to acquire material possessions and wealth to satisfy themselves [6]. In addition, there is also a research written by Choirul Huda on "Islamic Economics and Capitalism (Tracing the Seeds of Capitalism in Islamic Economics)" The results of this study show that capitalism is a system or ideology that comes from outside and enters into Islamic economic thought. However, Islam also influences and corrects the prevailing economic life or capitalism. Therefore, Islam and capitalism are two forces that interact and impact each other (C. Huda, 2016). About Muhammadiyah and Economics, Imamul Hakim & Muslikhati's research on "Model of Muhammadiyah Economic Movement After the 47th Congress" The results showed that Muhammadiyah has used two strategies, Top Down and Bottom Up, to achieve the ideals of the Economic Movement as the third pillar of its movement.

The purpose of this research is to complement existing research. There is still little research that discusses Religious Capitalism and adds to the treasures about the economic movement of Muhammadiyah. Judging from Chairul Huda's writings on Islamic Economy and Capitalism, if we look at what Muhammadiyah has is one part of Capitalism. It can be said that way because Muhammadiyah has a large amount of wealth, but the difference is that the wealth owned by Muhammadiyah is owned organizationally, not individually. Therefore, this paper will review the shift in the vision of Muhammadiyah civilization. This study focused on examining the shift of the Muhammadiyah movement from Islamic Socialism to Religious Capitalism. Therefore two questions are formulated: (a) the meaning of religious capitalism? (b) how did the Muhammadiyah movement shift from Islamic socialism to Religious capitalism? (c) What is the formulation of Muhammadiyah Religious Capitalism? These three formulations are important to propose because of world development and the shift of the Muhammadiyah movement from Islamic socialism to religious capitalism, marked by the emergence of many Muhammadiyah-Owned Enterprises (BUMM)

Islam and capitalism once worked together to develop in Islamic history. Only the religion of Islam grew up in the merchant environment. Islam is the religion of merchants. Originating from trading cities, it was then spread throughout the archipelago by merchants. Prophet Muhammad

(peace be upon him) and his companions were mostly traders and businessmen from various regions. Therefore, it is no exaggeration to say that entrepreneurship already exists among Muslims. Merchants are honored in Islam by paying zakat in the first person. In addition, Muhammadiyah was founded by city traders and student merchants. The rise of the economic power of merchants, such as textile or weaving entrepreneurs in Pekajangan, Pekalongan, and in the Laweyan area, Surakarta, is an integral part of the history of Muhammadiyah (Habiburrahman, 2019). Muhammadiyah ethics actually also intersect with capitalism, Muhammadiyah ethics have transcended the Weber Protestant image. Weber's Protestant model focused on the capitalistic spirit among ascetic Calvinists. Muhammadiyah ethics not only inculcates an entrepreneurial ethos among its followers, but also emerges in a civilizational system that includes personality, social, political, economic, and cultural. This is seen in the fields of education and culture, health services, compensation and social empowerment, economy and welfare, philanthropy, disasters, and others (Baidhaw, Zakiyuddin & Khairudin, 2017).

## Method

Muhammadiyah's shift from Islamic socialism to religious capitalism became the object of this study, seeing that since the 47th Congress the economic movement was proclaimed as one of the pillars of the union movement. The Muhammadiyah economic movement enthusiastically continues to add to Muhammadiyah's assets based on religious Muhammadiyah ethics.

This research uses library research methods with a philosophical approach. Literature research is a study used to collect information and data with the help of various kinds of materials in the library, such as books and journals, which are relevant to this paper. The literature research method is used in reviewing this paper by conducting a critical and in-depth examination of relevant library materials (Assyakur Rahim et al., 2022).

## Result and Discussion

### A. Ethos Base of Muhammadiyah

Muhammadiyah was founded by KH Ahmad Dahlan on November 18, 1912 in Kauman, Yogyakarta. KH Ahmad Dahlan's anxiety saw that the condition of Muslims at that time was far from ideal. Umat Islam at that time was devastated in terms of education, social and economic. By studying the letters of Al-Ashr and Al-Ma'un continuously, finally KH Ahmad Dahlan founded the Muhammadiyah Association (Kusuma, 2023). The vision of Muhammadiyah civilization can be known from the thoughts and scientific actions of KH. Ahmad Dahlan. KH Dahlan in understanding the Qur'an KH Ahmad Dahlan was able to translate the verses of the Qur'an into a real movement for social benefit. The vision of Muhammadiyah civilization is based on Surat Al-Ma'un & Al-Ashr,

both of these letters are letters that are often taught to his students by KH Ahmad Dahlan. KH Ahmad Dahlan taught Surat Al-Ma'un for three months (Khoirudin, 2015).

### **1. Al-Ma'un ethos**

The Muhammadiyah movement is based on surah Al-Ma'un: 1-7, known as Al-Ma'un theology as the basis of its da'wah. This letter instilled a spirit of change in the state and condition of society in Indonesia in the early days of the establishment of Muhammadiyah. conditions in which the religion, education, and economy of the nation were backward due to colonization (Mocham, 2020).

Surah Al-Maun includes Surat Makiyyah, Surat al-Ma'un tries to respond to situations where orphans and poor faqir do not receive adequate attention, so the verse describes them as "religious liars" (L. Hakim & Syaputra, 2020). Kiai Dahlan photographed the Muslim community at that time with the lens of Surat Al-Maun, about the helplessness of Muslims at that time. In Moeslim Abdurrahman's view the poor Not only economically poor, the definition of poor also includes those who are socially marginalized, such as scavengers, farmers, and prostitutes, or minority religious groups such as Shia and Ahmadiyya [2].

Al-Ma'un is the main theology underlying the establishment and development of Muhammadiyah. This theology, derived from the Qur'an (107:1-7), is often translated into three pillars of work: healing (health ministry), education (education), and nutrition (social service). This theology Al-Ma'un has the spirit to release the mustad'afin from oppression. The concrete action is by building orphanages, schools, hospitals and other Muhammadiyah business charities (S. Huda, n.d.).

Of the three pillars of this movement, Muhammadiyah now has land assets of approximately 21 million square meters and tens of trillions of rupiah (Bisnis, 2020). In addition, in the field of education, Muhammadiyah also has 7,651 schools, 340 Islamic boarding schools, and 174 universities. In the Health Sector Muhammadiyah also has 457 hospitals, 318 orphanages, 54 nursing homes, and 82 disability rehabilitation centers. As well as many charitable businesses in the economic sector such as BMT, mini markets, cooperatives, disputes, and hotels (DInamika, 2023).

Kiai Ahmad Dahlan's ethos leads to the spirit of civilization. All the efforts and actions of Muhammadiyah demonstrate this. Ethos al-Ma'un as an example of actions taken to encourage the oppressed to develop humanistically and pragmatically. Ahmad Dahlan's social action and cultural revolution were based on the view that the interpretation of the Qur'an was naturally compatible with the universal experience of mankind. According to Kiai, the measure of truth of Qur'anic exegesis and technological findings is a number of proofs that they can help solve universal humanitarian problems. The spirit of civilization comes from the ethos of Kiai Ahmad Dahlan. The

work and charity of Muhammadiyah demonstrates this [5]. According to Azaki Khairudin the Ethos of Al-Ma'un KH Ahmad Dahlan in giving birth to several points including:

#### **a. 7 Philosophy and 17 Groups of Qur'anic verses**

7 Philosophies and 17 groups of verses of the Qur'an are authentic teachings of KH Ahmad Dahlan. Written directly by KHR Hajid, a direct disciple of KH Ahmad Dahlan. KH Ahmad Dahlan has his own way of interpreting the verses of the Qur'an. The interpretation of KH Ahmad Dahlan gives the spirit of every Muhammadiyah movement.

In the teachings of KH Ahmad Dahlan there is a teaching of compassion that views to do good. In 17 groups of verses contained two main teachings of KH Ahmad Dahlan, namely Surah Al-Ashr verses 1-3 and Surah Al-Ma'un 1-7. Surat Al-Ashr gave birth to the ethos of Al-Ashr which contains the spirit of the Muhammadiyah movement. while Surat Al-Ma'un gave birth to three praxis of the Muhammadiyah movement, namely education (schooling), Health (Healing), and Social (Social Movement)(Baidhaw, Zakiyuddin & Khairudin, 2017).

#### **b. The Ethos of Compassion**

Surah Al-Ma'un tells of a religious liar. There are several characteristics of people who deny religion among them in verses 2 & 3. Verse three of Surah Al-Ma'un speaks of one who rebukes orphans. The third verse speaks of one who does not feed the poor. Two characteristics of religious liars are related to asocial human beings. In KBBI asocial means people who are not social. Don't care about society.

The Muhammadiyah movement exists to counter asocial religious liars. Al-Ma'un underpinned the Muhammadiyah social movement. Al-Ma'un's ethos gives birth to the sacred mind and sacred heart that gives birth to the ethos of compassion. So that the Muhammadiyah social movement must be based on the ethos of compassion(Baidhaw, Zakiyuddin & Khairudin, 2017).

#### **c. Intellectual Asceticism and the Contribution of Human Civilization**

Article 1 of the Muhammadiyah Statute says "Things to Flatten Islamic Schools Throughout the East Indies" showing Ahmad Dahlan's Intellectual Asceticism and Muhammadiyah's Civilizational Approach. Less educated Muslims should learn from more educated people. Therefore, Muslims are composed of two traits: teacher and fat disciple. Learning and teaching are two obligations for every Muslim.

Before he died, Kiai Ahmad Dahlan left a simple but creative message full of value and freedom. "Doing and working is better and more important than talking," Kiai said. The values (ethos) in his treatise seem to derive from the intellectualization of the values of Islamic teachings through the Mantic sciences (logic or philosophy) and Kiai's understanding of Islam. It is also evidence of creative efforts in thinking and acting.

According to the basic idea of Kiai Ahmad Dahlan, there are three aspects of Muhammadiyah's existence: theological, epistemological, and technical. On the theological side, Muhammadiyah is tasked with developing Islamic science, da'wah and tajdid. From the epistemological side, Muhammadiyah is tasked with constructing future social knowledge. The technical aspect shows the pragmatic nature of Muhammadiyah's responsibility in formulating social policies as an ethical function for the progress of society.

#### **d. False Religion**

Surah Al-Ma'un verses 4 & 5 speak of a wretched person in his prayers because of his misconduct. In Buya Hamka's tafsir of Al-Azhar, he interprets that a claka person is one whose prayers are not sincere and not based on consciousness. If it is not based on awareness, it will be negligent or forget the purpose and wisdom of Prayer.

If connected with verses 1-3, the consciousness possessed is not only the consciousness of the individual when performing prayers. But social awareness of the condition of the surrounding community. Religious liars can also be bound by people who are false religions. People who are obedient to worship and pray, but do not have social sensitivity to society.

#### **e. Spirit of Profit for good**

Starting from the spirit of Al-Ma'un Muhammadiyah has thousands of charitable businesses in the fields of education, health and social. The wealth of Muhammadiyah owned is not for the benefit of Muhammadiyah. Muhammadiyah's charity is a form of translation of the Qur'an by KH Ahmad Dahlan in the form of Shaleh charity. The spirit of the Muhammadiyah movement is that there is a partiality towards the poor and mustadh'afin (Baidhawiy, Zakiyuddin & Khairudin, 2017).

In the letter AT-Takasur certia about people who are wretched because of boasting. The one who boasted in Surat At-takasur has the meaning of one who likes to hoard treasures. If it is associated with capitalism, this letter of At-Taksur can be said to be a letter describing capitalism. By hoarding wealth only for its own importance, thus causing negligence.

The Muhammadiyah movement based on Surat Al-Ma'un became the antithesis of people who like to boast in Surat At-Takasur. Muhammadiyah accumulates wealth by having thousands of charitable efforts Muhammadiyah is a form of social bluffing for the benefit of mankind (Baidhawiy, Zakiyuddin & Khairudin, 2017).

## **2. Al-ASHr Ethos**

Surah Al-Ashr is the longest surah taught by KH Ahmad Dahlan. KH Ahmad Dahlan taught Surat Al-Ashr for 7 months, longer than Surat Al-Ma'un which was only 4 months. If KH Ahmad Dahlan translated Al-Ma'un into the amak sholeh movement, then the translation of Surat Al-Ashr gave birth to the ethos of Muhammadiyah (Khoirudin, 2015).

Surat al-Ashr contains important ideas on which civilization developed. Ayat al-Ashr speaks of improving the quality of life of individuals and society. Words like amanu, amilu, and tawashau indicate the quality of human life (al-mujtama) collectively. In other words, al-Ashr is talking about the life of groups related to the ummah. For many years, Muhammadiyah used the term "Khair Ummah " which means "the best people", as the most important foundation of society and civilization. . "Loss", "destruction' ', "primitive", "left behind", "declined", and "loss" are terms as opposed to solemn. The main (progressing) civilization is a contrast from the general state of backward society (Baidhawi, 2017).

Some things in developing human civilization in the dimension of time and space and reaching the state of advanced civilization. First, the foundation of Islamic civilization based on the paradigm of tawhid is believed to be faith (aladina amanu). Second, piety (wa "amilu al salihah") can be seen as a civilization-building process. Third, wa tawashaw bi al-haq is a form of science, technology, and art (science and technology). The truth of al-Haq is understood in the context of relative truth, that is, science and technology that can change over time. Fourth, the most important moral principle, which can be understood from the phrase "wa tawashaw bi al-shabr"(Baidhawi, Zakiyuddin & Khairudin, 2017).

#### **a. Starting from Time (Wal Ashr)**

Surah Al-Ashr begins with the meaning of time. To interpret time is to move forward forward towards the future. Civilization has to do with time, because it is civilization that shapes humanity. Like humans, dairy civilization has a life cycle. There was a time when civilization began, began to grow and reach the peak of glory, declined, and even until the end of civilization(Muhammad, 2023). Talking about civilization is not talking about time, but talking about the far ahead.

KH Ahmad Dahlan taught Surat Al-Ashr for seven months to his students, showing KH Ahmad Dahlan's concern for the problem of time. Even not only during life on earth, but also in the hereafter. Do not let our time living in this world make us so negligent and wretched in future lives.

Muhammadiyah has been more than a century old, various situations and conditions have been able to pass through for more than a century. The purpose of Muhammadiyah is to promote a true Islamic society, making Muhamamdiyah work for more than a century. KH Ahmad Dahlan sparked the purpose of Muhammadiyah so that Muhammadiyah would work for one time only, but so that Muhammadiyah could work for civilization (Baidhawi, 2017).

#### **b. General Conditions of Humanity (al-Khusr)**

"Indeed, man is at a loss" indicates that human civilization will generally face various problems in life (al-khusr). Globalization makes social change not always beneficial. Islamic civilization faced many challenges (Baidhawiy, Zakiyuddin & Khairudin, 2017).

The presence of Muhammadiyah is trying to improve the fate of the people for the better. Muhammadiyah was born in the midst of a Muslim community that was left behind. therefore from KH Ahmad Dahlan emphasised that the purpose of Muhamamdiyah was to realise a true Muslim society. If it is associated with Surat Al-Ashr, the Muslim community is truly a lucky, developed and influential society in the world. To achieve the goal of Muhamamdiyah, it takes a long time. Even if one day before the end of the world there is still humanity in a "weak" condition then Muhammad will continue to work, because Muhammad is the work of civilization.

Today Islamic civilization is no longer an influential civilization in the world. Some different times Islam experienced its glory during the time of Khulafau Rashidin, Bani Abbasyah and Ottoman Empire. Islamic civilization is now only a fringe civilization that has been dormant for a long time.

Islamic civilization is now at the center of the vortex of global capitalism that dominates the post-cold war world. The victory of capitalism rendered Islamic civilization inconsequential. One example of Islamic civilization not having an effect in Sunia is the settlement of the Israeli-Palestinian conflict which never ends, the voice of the Muslim Ummah has no significant influence (Baidhawi, 2017).

#### **c. Faith as the Foundation of Civilization (al-Ladhina Amanu)**

Faith means to believe, but faith is really not just about believing. In Al-Azhar's tafseer Hamka interprets that faith is a form of awareness for what we actually live in the world. Faith raises the realization that we must be devoted to the creator, Allah SWT and benefit our fellow humans. That is the characteristic of a believer, not only having a good relationship with God but also fellow human beings. Filial piety to Allah in the form of worship, while to fellow human beings with shaleh charity[18].

Civilization depends on faith. Ismail Raji al-Faruqi said that tawhid is the basis of Islamic civilization. The main principle of culture and civilization is monotheism. Therefore, the first pillar of "Progressive Islam" is "pure monotheism", which includes sacred principles such as the unity of creation, the unity of humanity, the unity of leadership, and the unity of purpose of life. Thanks to monotheism, an ethic of right behavior emerges, and the glory and moral success of a society can be seen in the way they spend their time and space helping their community. According to some, the application of monotheism in the building of civilization is the way to achieve enlightenment, liberation, and universality (Baidhawi, 2017).

#### **d. Institutionalisation of Amal Saleh (wa Amilu al-Salihah)**

Charity is necessary to perfect faith. The Muhammadiyah movement is the result of KH Ahmad Dahlan's interpretation of Qur'anic verses in the form of charity shaleh. As an organization, Muhamamdiyah manages his shale charity institutionally, not individually. The Muhamamdiyya



social movement is a functional form of religion based on common sense (Baidhawiy, Zakiyuddin & Khairudin, 2017)

Muhamamdiyah is now in the vortex of global capitalism, therefore the ownership of thousands of charitable enterprises institutionally is a response to the practice of global capitalism that only benefits one group. It is proven that the institutionalisation of shaleh charity, makes Muhammadiyah able to survive for more than a century. On the one hand, institutionalised shaleh charity will be more effective and productive.

#### **e. The Ethos of Intercivilizational Dialogue (wa Tawashaw bi al-Haqq, wa Tawwa bi al-shabr)**

The philosophy of dialogue between civilizations begins with the interpretation of messages about truth and patience, and has a transformative impact on the development of science and technology and the strengthening of morality. Science, technology, and morality are the most important assets in the dialogue of civilizations. Kiai Dahlan's paradigm is based on a critical and open attitude towards scientific and technological progress, faith in the Qur'an, and the ability to think from a pure heart. The following statement illustrates the paradigm of Kiai Dahlan. But Muhammadiyah is not elitist or exclusive. There is no fanaticism that represents Islam exclusively so it overreacts to different social groups. The early generation of Muhammadiyah was very tolerant, creative, inclusive, and tolerant, but did not affect the principle of maintaining pure monotheism.

In his monumental speech, "The Rope That Binds Life," Kiai Dahlan stated that humans are born of the same "one body." He also urged Muslims to "do not look at the nation and vote, but immediately gather leaders to discuss the truth (haq). Never be complacent and never despair until you find the truth." Given the truth we know, doesn't man have only one principle, one knowledge, and one action? This message apparently includes the ethics of dialogue between civilizations, even the ethics of universal humanity (global ethics). If Hans Kuhn made a speech on the theme of global ethics and dialogue between civilizations, a long time ago, in the early 20th century, Kiai Dahlan spoke of the unity of the human heart and the unity of leaders who must unite for deliberation. This is still very relevant in the discussion of civilization (Baidhawiy, 2017).

### **B. Vision of Muhammadiyah Civilization**

Muhammadiyah has the goal of realizing a truly Islamic society. What is meant by the true Isla community is the best Khaira Ummah listed in Surah Ali-Imran verse 110. According to Azaki Khairuddin, the true Islamic society has two dimensions: the process dimension and the goal dimension. When viewed from the purpose of the Islamic community which is actually an eternal goal. KH Ahmad Dahlan put the vision of Muhammadiyah not only for his time, but far into the future.

Some of KH Ahmad Dahlan's messages to his successors related to the forward movement, one of which was "Dadio Kiai yang Progress, and Aja Kesel Anggonmu Welcomes Gawe to Muhammadiyah." This message means that work in Muhammadiyah is the work of civilization of the Ummah going forward. Meaning, Kiai Sing Kamajuan is interpreted as a leader who is able to bring the Muhammadiyah movement forward. In each era, Muhammadiyah is faced with different era conditions from the pre-independence, independence, post-independence, old order, new order, reform and post-reform eras. Every era of Muhammadiyah was always able to adapt and have its role in coloring the life of the Nation. From the message of KH Ahmad Dahlan, it can be interpreted that the Vision of Muhammadiyah is a Vision of Progress. The vision of progress manifested from the ethos of Al-Ma'un and Al-Ashr which is the foundation and spirit of Muhammadiyah.

### **C. Religious Capitalism**

Meaning of Capitalism is everything related to capital and money in the free market is defined as capitalism. Sociologically, capitalism originated in the struggle against the feudal lords, and emerged in Europe in the 16th century. The scientists, who initially thought of the welfare of the workers, were the source of campaign nihilism in Europe.

The economic system known as capitalism emphasises the role of capital, or wealth, in all its forms, including goods used to produce other products. Ebenstein referred to capitalism as not just an economic system, but as a broad social system. He linked the movement of individualism with the rise of capitalism (Munafaroh & Masyhuri, 2019).

In *The Protestant Ethic and the Spirit of Capitalism*, Max Weber shows that religious fervour—especially that espoused by Protestants—is closely linked to the rise of capitalism. Martin Luther King argued that humans can avoid eternal curses by doing better things. Benjamin Franklin, with his famous motto, "Time Is Money", which says that humans live to work hard and acquire wealth, was another supportive figure.

Five basic theories of Capitalism according to Adam Smith:

1. Recognition of private property rights without certain limits.
2. Recognition of the right of the private to carry out economic activities for the sake of improving socioeconomic status.
3. Recognition of economic motivation in the form of the spirit of achieving the maximum possible profit.
4. Freedom of competition.
5. Recognize the laws of free market economics/market mechanisms.

#### **D. Islam and Capitalism**

It seems that today capitalism and religious fervor are considered as opposed to each other. Two things are very different in meaning. One shows its connection to materialistic teachings, while the other teaches spirituality related to the ultimate reality. Its properties are also different: the first prioritizes rationality, while the second is considered intuitive. It's like a positive and negative science [20].

According to Rusufi Ashoukanye, there are several reasons Muslims reject capitalism. The first is the bad experience they had during the centuries of colonization. This experience made Muslims reject everything that came from colonial countries, especially capitalism. Most people see colonialism as the embodiment of the capitalist economic system. Second, the materialistic attitude of the capitalist system which is considered dangerous for the Islamic creed which emphasizes the afterlife. Third, capitalism promotes and legitimizes a hedonistic culture that is inappropriate and reprehensible for Muslim societies. Fourth, capitalism is seen as the cause of inequality and economic decline in Islamic societies today. Moreover, capitalism is considered to lack social sensitivity. Lusfi considered the conclusion too simple and potentially misleading. (C. Huda, 2016).

Early Capitalism, also known as Commercial Capitalism, existed in Mecca during the early days of Islam. In the plutocratic structure, the ruling merchant class became known as the Meccan elite. According to Rodinson (1966), the Quraysh tribe was a group that enjoyed privileges and thus gained power in Mecca. Islam emerged in such a commercial capitalist society. Therefore, usury-based Mecca-based financial transactions also occur in this type of Commercial Capitalism. The social-scale system of zakat was added when Islam came to improve the usury system. Therefore, separating Islam from capitalism is a challenge.

The social-scale system of zakat was added when Islam came to improve the usury system. Therefore, separating Islam from capitalism is a challenge. Islam and capitalism have worked together to develop Islamic history. Only Islam can thrive within the sphere of commercial capitalism (Sudrajat, 1994). Rodinson explained that Islam does not prevent the entry of capitalism, but capitalism is an external factor that exists in Islamic countries. The prohibition of exploitation and brutality is the only prominent aspect of Islamic capitalism (Habiburrahman, 2019).

#### **E. Religious Capitalism**

Prophet Muhammad (peace be upon him) was present among the rich men of Quraysh. However, Muhammad (peace be upon him) solved the problem of Arab customs. Starting with peace in Medina between the Muhajireen and the Anshor, these two groups developed into one larger community, which had a different cultural and organizational governance from the tribalism that had previously been characteristic of Arabs. Starting from the emergence of a new community, new religious teachings and ideologies became more dominant than tribal values. Later, new

political discussions and practices emerged to build a new society with new values established in the Medina Charter. (Muhammad, 2023).

Prophet Muhammad (peace be upon him) realized how important it is to build financial strength. By building a new market next to the mosque, Prophet Muhammad's wish was realized. It shows the form of interaction and its rules as well. Subsequently, new practices of economic ethics emerged, especially with regard to trade. For example, the problem of *najsy*, which prohibits praising and praising the quality of goods too high as well as offering goods without the intention of buying, causes prices to rise. *Bay ba'dh "ala ba'dh"* also means proposing a new price that is much higher or lower when there are still other parties negotiating about the transaction. In addition, it is not allowed to perform *talalqi al-rukban*, which means intercepting and buying goods before they reach the market. There are also *ihtinas* and *ihtikhar*, which mean hoarders of treasure. Maximum, prohibition of usury (Muhammad, 2023).

Religious capitalism is an inclusive economic system underpinned by religious values, principles, and moral standards and built on justice and goodness for mankind (*al-adl wa li'isan*). The mechanism of economic activity regulates the allocation of resources not only to meet the physical and material needs of society, but also to meet its spiritual and intellectual needs (Achsien, 2003). One of the assumptions underlying religious capitalism is the philosophy of human development. In religious capitalism, people are morally principled and treat others as themselves. In the Islamic tradition, it is better known by the idea of *insah salih*, or *insan kamil*, which means good or perfect human being, as God's representative on earth, or *khlaifa Allah Fil-ard*, which means God as a representative on earth (Heri Prasetyo, 2022).

Since possession is human nature, Islam allows it. To meet the needs of the soul, a person has a desire to have. First, God created a world of great wealth for people to enjoy. This is the rule governing the property rights of wealth in Islam. Secondly, therefore, they have all of that if they want to try and not commit crimes and injustices. Third, they must consider the needs of the wider community in both the short and long term (Habiburrahman, 2019).

The principles reflected in the characteristics of religious capitalism described include: First, About Man and His Relationship to God. One of the assumptions underlying religious capitalism is the philosophy of human development. A person who is loyal to ethics and treats others the same way he treats himself The concept of *insah salih*, and is also known as *insan kamil*. as a form of representation of God on earth, known as *khlaifa Allah Fil-ard*, or God's representative on earth.

Second, perspectives on property rights. This means that religious capitalism does not reject private property because the concept of ownership is considered limited and relative. Almighty God is the owner of all owners. Third, the Incentive Question: From the concept of

property described above, it is clear that reason and ethics are the driving factors in religious capitalism. Both logically and intuitively; positive but also normative.

Fourth, market orientation as a driver of capitalism is highly recommended. Islamic civilization was characterized by a strong commercial impetus. This shows that business is not prohibited. Fifth, Distributive Justice and the Role of Government Although religious capitalism emphasizes the importance of the market, there are also government institutions that function to fairly monitor economic activity and prevent monopoly, manipulation, and exploitation[21].

## Conclusion

This paper reveals that the Muhammadiyah movement began to shift from Islamic Socialism to Religious Capitalism. Muhammadiyah has an Al-Ma'un ethos which translates to charity sholeh in the form of social movement. Amal Sholeh Muhammadiyah is then combined with the ethos of Al-Ashr which contains the spirit of progress in Muhammadiyah. Amal Sholeh Muhammadiyah in the form of the social movement Muhamamdiyah was then institutionalized into Amal Usaha Muhammadiyah (AUM). The AUM owned by Muhammadiyah continues to grow and add to Muhammadiyah's wealth assets. This spirit shows the spirit of enriching Muhammadiyah.

The assets owned by Muhammadiyah are not privately owned, but organizationally owned. In contrast to capitalism which does not limit private property. With organizational ownership, Muhammadiyah feels that true ownership belongs only to Allah SWT. The wealth of Muhammadiyah is used to achieve the goal of Muhammadiyah "The True Muslim Community", so that the benefits of Muhammadiyah's wealth can be felt by the community.

With the assets owned by Muhammadiyah and the Muhammadiyah movement, Muhammadiyah is now a religious capitalism movement. The spirit of increasing business charity at various levels of leadership is one of strengthening. The basic principle of religious capitalism about the equitable benefit of all human beings is based on religious values and morals. So that in addition to being able to overcome poverty, education, health, and social problems, the Muhammadiyah movement is also considered as worship to Allah SWT. Strengthen relationships with fellow human beings at once and strengthen relationships with God.

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