

Research Article

Strategic Industry in Islamic Political Economy Perspective

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ABSTRACT

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The development of strategic industries in Muslim countries in general, and specifically Indonesia, has found stagnant conditions, not developed and not even made a top priority in the concept of state development they are designing. This is in contrast to capitalist countries which are competing to become a new face as a country with the forefront strategic industry. The purpose of this article is to provide a conceptual description of thinking of Muslim countries in viewing sovereignty. Sovereignty in these days means independence from various dependencies, especially political-economic dependence. This study used a qualitative library research method. the results of the study found gaps in the concept of development in Muslim countries in the concept of development towards sovereignty through strategic industries. The novelty of this concept is to see the potential of ASEAN countries, especially Indonesia, to be able to take a big role in an important strategic industrial position for Muslim countries.

1. INTRODUCTION

Strategic industry is important to the state, which affect the lives of many people. This is also one of the factors that influence the position of a country in the global order. Some countries make strategic industries as a blueprint to crawl up their position in the global order, the big four BRIC (Brazil, Russia, India and China) as global new economic powers exert full power for strategic industries. This is reasonable because according to Alice Lyman Miller (2005) and Cross (2022) the superpower countries is measured by the readiness of strategic industries. Seeing this phenomenon, what about Indonesia's position? F. Harry Sampurno-Kuffal, a former BUMN (public company in Indonesia) commissioner and holder of a doctorate in military industry, said that on the contrary, strategic industries in Indonesia are moving backwards, even collapsing. There was dissolution of Badan Pengelola Industri Strategis (BPIS/ Strategic Industry Management Agency) an liquidation of PT Dua Satu Tiga Puluh Tbk (DSTP) is one of the strongest signs. Even though BPIS was born from a long effort to develop Indonesia's strategic industries. There were at least ten companies under the auspices of BPIS at that time; IPTN (aerospace sector), PT PAL Indonesia (shipping sector), PT Pindad (weapons and defense sector), Perum Dahana (explosives sector), PT Krakatau Steel (steel industry sector), PT Barata Indonesia (heavy equipment sector), PT Boma Bisma Indra (engineering), PT Industri Kereta Api/INKA (railroad industry), PT Inti (telecommunication), and the National Electronics Institute as an electronics and component study institute. BPIS is tasked with trying to accelerate the process of technology transfer by way of progressive manufacture. The vision is that Indonesia will be able to independently develop technological products for civil and military interests. An important post-reform moment for this strategic industry was rearranged, the most clearly illustrated in Presidential Regulation (Perpres) Number 28 of 2008 concerning National Industrial Policy is that Indonesia will become a Resilient Industrial Country in 2025, with a vision of 2020 as a New Advanced Industrial Country (Gindarsah, 2016; Jazuli, Steenmans & Mulugetta, 2021).

Reality and expectations continue to run away, until now the condition of Indonesia's strategic industry is actually like what F. Harry Sampurno-Kuffal put forward, backwards (Iksan & Soong, 2023). It is very far from improving its position in the global order, very different from what the BRIC countries are doing to continuously improve their



position in the global order through strategic industries. In fact, the decline or stagnation on this matter is almost evenly distributed in all Muslim countries, not just Indonesia. Abdurrahman Al-Maliki (1963) states this cannot be separated from a political economy. Big capitalist countries play a political strategy by playing their pawns in potential countries to believe the opinion that building an equipment industry (including strategic industries) will take a long time, thus it is enough to just focus on producing primary needs, even though the real intention is to slow down industrial development in potential countries.

There is also the opinion that producing equipment requires the presence of an industrial environment, consisting of engineers and technical workers. There are only advanced capitalist countries are ready (Sklair, 2016; Zhang et al., 2022). The real intention is twisting the facts. Due to the fact that in Muslim countries such as the Arabian Peninsula or South Asia Countries, there are plenty of engineers and technical workers, even in some Arab countries such as the United Arab Emirates or Saudi Arabia, with their financial capabilities, they are able to easily bring in hundreds of experts to immediately start production (Coutts et al., 2019; Onley & Nonneman, 2020). Thus it is quite strange that a rich country like the UAE is trying to bring in alternative income other than oil, with the tourism route, even to the point where the business of night clubs thrives with full of disobedience just to bring in foreign exchange (Haseeb, 2016). They do not using their money to build a strategic industry, but only collecting tourism coins from night parties. Likewise with the Saudi, their potential wealth is not able to make them a strategic industrial country, according to The Federation of American Scientists (FAS) since 1990 the Saudis are the top customer in importing military equipment from America (Makara, 2016; Hazen, 2019; Yates, 2021).

2. RESEARCH METHODS

In this study, researcher used a type of library research, namely research with a series of activities related to library data collection methods, reading and recording and processing research materials (Farid, Warraich & Iftikhar, 2023). Library research is research in which the object is sought with various library informations. This research is different from other studies which require observation or interviews in obtaining data (Aboelmaged, Mouakket & Ali, 2023). In this study, the data object sought by researchers is to search for literature that is in accordance with the issues raised. Researcher looked for data in answering the problems raised by reading various appropriate references. Library research is a review of library data that can provide solutions or answers related to the problem under study. Through library research, it can provide results from what is sought through the data sources used.

3. RESULTS AND DISCUSSIONS

3.1. The Rostow's Five Stages Paradox

All the failures of developing countries that want to establish strategic industries in their countries, originate from the misguidance of Western economists, one of which is the most widespread and trusted in various parts of the world is The Rostow's Five Stages of Economic Growth and Development (Willis, 2023) which reminds us that society must go through five phases of growth and development, and it is impossible to jump directly to the fifth stage, one of which is marked by running a strategic industry (Willis, 2023). Each of these phases has conditions that must be met. The publication of this work actually has a bad goal, because it aims to prevent industrial revolutions from happening in countries that can become competitors to the capitalist countries that lead today's civilization.

Even though history records, there have been many leaps of growth progress to reach this high phase without having to delay with many conditions. For example, when the Russian Empire came out of World War I, it still depended on Europe, and did not yet have an equipment industry for the strategic sector (Potemkina, Gryaznov & Pashkovskaya, 2021). It is said that Lenin was asked to increase the country's agricultural production by bringing in (imported) plowing machine tools (tractors) so that agricultural work was carried out with modern tools and a massive increase in agricultural output (Miller, 2019). But Lenin said,

“Мы не будем использовать тракторы, пока не сможем производить их сами. После этого мы будем использовать его”

“We will not use tractors until we are able to produce them ourselves. After that, we will use it.”

Immediately, to be precise, in 1930 the Kharkivskii Traktorniy Zavod (the Kharkiv Tractor Factory) was built and their agrarian sector industry grew rapidly. At that time the Russian Empire used the ideology of socialism to rise up against the ideological hegemony of capitalism (Livshits, 1976; Bosma, 2014; Miller, 2019).

3.2. Islamic Political Economy for Strategic Industries

It turns out that industrial revival cannot be separated from the ideological backing that is run by the state. Thus it is only natural that Muslim countries including Indonesia are currently unable to get out of industrial stagnation and decline because they do not carry the ideology that should be carried out, namely the ideology of Islam. Because the ideology of capitalism and socialism has been proven to be able to bring industrial revival to secular and kufr countries, but in fact it is destroying life. History records, when Muslims began to abandon Islamic ideology as the direction of the movement of the state, setbacks befell them. In this industrial aspect, it was experienced during the Ottoman Empire, Erkut Duranoglu and Guzide Okutucu (2009) in their academic work highlighting the stagnation of the Ottoman Empire in the face of the Industrial Revolution in England which then spread to Europe. Even slogans like “*kadimden olagelene aykırı iş yapılmaması*” which means one does not go against what came from the past (tradition) which is firmly rooted in the government's wrong thinking in responding to industrial modernization, which is unfortunate indeed this is used in the context of technology so that industrial development faltered. The peak is one of the reasons why this superpower is left behind and is also getting weaker.

In fact, in the Islamic tradition, when the state also relies on Islamic ideology, improvement in industry has been practiced since the early days. One of them was when Caliph Umar Ibn Khatab (ra.), Jaribah Al-Haritsi in his book (2003) which comes from his doctoral dissertation at Ummul Qura University in Mecca, he managed to see the big role of Umar (ra.) in making industrial leaps for Muslims. In his economic philosophy for the realization of industrial leaps, he excluded Abu Lu'luah Al-Majusi from the prohibition he had imposed on adult prisoners of war from entering Medina. The reason for this exception is the existence of industrial expertise possessed by these young Magi. Actually Umar (ra.) did not allow prisoners who reached puberty to enter Medina, until Mughirah bin Syu'bah who was then in Kufah wrote a letter, that he had a skilled young man, and asked Umar (ra.) to take him to Medina, saying the young man was able to make some useful work. He was a blacksmith, carpenter, and carpenter. So Umar (ra.) wrote to him agreeing to send the young man to Medina. The young man was able to make a flour mill that was driven by air power, so Umar (ra.) did not miss his desire to find out about the tools that could be used to bring many benefits to humans in matters of subsistence. This is the leading industrial science of its time. Umar (ra.)'s desire for what he did not know was a testament to his motivation towards industry, which at that time he saw as very influential.

In Islamic economic thought, the important position of industry is reflected in Al-Shaibani's thoughts with his Al-Kasb-concept. Al-Shaibani (1986) stated that something that can support the implementation of what is obligatory, then something that becomes obligatory is also obligatory. In the economic context, work is to fulfill various obligations, then work is mandatory, just like *thaharah* when you want to pray. And this theory is the seed for the birth of production theory in contemporary Islamic economic thinking about the production theory, especially for strategic industries. Strategic industries are needed to realize Islamic economic politics, in the present context, namely to save Muslim countries from the colonial and corrupt methods of life of Capitalism.

4. CONCLUSION

Muslims have now become increasingly aware of the importance of separating themselves from the West (Capitalist countries) and the importance of changing their way of life. This requires him to have an attitude of not needing the West, given their hostility to Muslims, their crimes and their greed to extract natural resources in Muslim countries. For this reason, industrial politics must aim to make the country an industrial country so that it no longer needs capitalist countries, as is the case today. To achieve this, it must start from the development of the equipment industry which frames the main framework of the strategic industry. This big step would be impossible if only one Muslim country to take it, bearing in mind that the political and military pressure from big capitalist countries is difficult to deal with directly. However, it is different when Muslim countries, including Indonesia, combine themselves into a single political institution which also combines their political and military strengths so that a bargaining position is closer to or even stronger than capitalist countries. Thus that independence and release from dependence on capitalist countries can be realized.

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