

A Comparative Study: The Economic Thoughts of Ibn Khaldun and Karl Marx

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Abstract

This paper aims to compare the two great minds of Ibn Khaldun and Karl Marx in terms of their similarities and differences. In terms of similarities, Ibn Khaldun suggests the fall of empire sovereignty which is in line with Karl Marx's idea of the destruction of capitalism. According to Karl Marx, the development of modes of production from time to time is a necessity. Whereas, Ibn Khaldun in his book of *Al-Muqaddimah* argues that the fall of empire sovereignty is rooted in the nature of its power. Marx assumes that the capitalist system 'inevitably' will continuously foster the surplus value, while Ibn Khaldun states that the nature of power is about pursuing luxuries. This research applied descriptive comparative and qualitative approach. The study concludes that there are some similarities between Ibn Khaldun and Karl Marx although there are more distinct differences. This is because of the following factors: (1) life background, (2) assumption used by both figures, (3) social state of the society, and (4) influence of the previous scientific thoughts. The difference in the course of economic conception -work, surplus value, and the law of necessity- lies in the paradigm which both concepts use. Ibn Khaldun applies induction approach by summarizing the general case of many historical events and disappearance of the former empires. Whereas, Marx uses class conflict approach as the basis for his theory. As its implication, similarities of these concepts do not necessarily require the same paradigm. A review of economic thought of the preceding figures should apply a contextual approach, that is, from the condition of the relevant figure.

Keywords:

Ibn Khaldun, Karl Marx, work, surplus value, necessity.



1. Introduction

Comparative studies of Ibn Khaldun are often performed, either in the form of journals or research (bachelor thesis or graduate thesis). However, most of these comparative studies use sociological and political perspectives. This is because the explanations of political sociology are scattered almost in all parts of the book of *Al-Muqaddimah*. Both of Ibn Khaldun and Marx use an empirical approach to explaining the laws of social development. This empirical approach explains the society through visible or tangible symptoms. Prior to the Ibn Khaldun era, social literature was less viewed from an empirical perspective. They rather viewed it as religious, philosophical, ethical, and legal perspectives.

Muhammad Abdullah Enan in the book of Ibn Khaldun Biography states: Although Al-Farabi and Ikhwanus Shafa discuss it from philosophical and scientific perspectives, Ibn Khaldun discusses it from a sociological perspective and expresses it practically, and his artwork follows his new methods. In this case, he is truly original (Enan, 2013: 149).

Al-Muqaddimah actually contains the law of humankind history. It covers various aspects about the formation of societies, the influence of geography and climate to the developing communities, two kinds of communities (nomads and settled communities), the rise and fall of empires, human activities in pursuing life (work), and lastly about the methods of science which are derived from the Qur'an and As-Sunnah, empirical method, reasoning, and etc.

Al-Muqaddimah is fairly the same as *Madilog* (Tan Malaka) in which it includes the explanation of epistemology through logical discussion, empirical method, and then discussion of the dialectical law that occurs in society. The difference lies in the fact that Tan Malaka wrote books based on the pre-existing theories. Therefore, *Madilog* is only considered as a study of logic, dialectic, and materialism theories (Yudda, 2008: 165). Whereas *Al-Muqaddimah* is mostly discussing the result of inductive reasoning about the past realities, especially during the rise of states and its impact.

In explaining the destruction of a state, Ibn Khaldun is almost identical to Marx's argument about the destruction of a capitalist system. It encompasses the commencement stage of destruction, the early stage of the formation of capitalism system, followed by the expansion of 'surplus value'. When the expansion of surplus value is closer to the climax point, all parties will feel disappointed. After that, the system will be collapsed. The stages of destruction, (both Ibn Khaldun -with his theory of the destruction of empires- and Marx -with his theory of the destruction of capital system-, are almost similar yet not the same.

Furthermore, Ibn Khaldun and Marx apply economic approach on how the economy influences social development. Here, the author explores the similarities, differences, and comparison between the two figures. In their discussion of economics, both explain about work, surplus value, and the law of necessity. They assume the same argument that work is about *the labor* process when the workers add value to the commodity. This "value" comes from the worker, and it is given to the other parties who pursue the 'surplus value' produced by other people. This ultimately leads to their own destruction, that is inevitable.

Frequently, this narrative is casually equated. However, this paper explains the difference between the two narratives developed by both figures. One narrative is about the destruction of capitalism entering the revolutionary phase, and another narrative is about the destruction of empires which has been run more than three generations.

2. Methodology

This research is a comparative study which aims to identify and examine the similarities and differences between two or more groups in a way to compare the two studies or thoughts of each

figure or variable. A comparative research is a descriptive study which searches for cause and effect answers by analyzing the causative factors of the emergence of a particular phenomenon (Nazir, 2005: 58). This study applied descriptive and analysis approach. The descriptive approach described an object by using words to be clearly understood. Whereas, the analysis approach scrutinized an object by using various ways such as reasoning, comparison, and scientific perspective.

The author described the thoughts of Ibn Khaldun and Karl Marx from the relevant literature. The analysis used several approaches such as historical approach (background), comparison, and modern socio-economic theories.

3. Discussion

a. The Background of Ibn Khaldun's Life

Ibn Khaldun Alhadramy is one of the founders of social sciences, living between the year of 1332 and 1406, with a phenomenal work of *Al-Muqaddimah*. He came from the environment of ulama (Muslim scholars and leaders who have expertise in Islamic sacred law and theology) and Hafiz (Muslims who have completely memorized the Qur'an). From his early age, he was keen on writing. He initiated the notion of a "value" of work, long before David Ricardo. Also, his idea of price equilibrium was advanced long before the birth of Adam Smith.

He was born in Tunisia, North Africa; the northern border was the middle sea and across from Spain. His family was an immigrant from Andalusia. His family previously worked for the Muwahidun Dynasty, before Spain was subdued by the Christian rulers (Enan, 2013: 19). His family lineage was a royal officer, started from his great-grandfather and his grandfather. Whereas his father did not occupy any royal position, instead, he pursued *fiqh*, philology, and poetry (Enan, 2013: 20)

Al Hadramy, part of his name, indicated that he was a descendant of Hadramaut Yemen. He was one of the descendants of a Prophet's dearest friend. Like the Arab family at that time, he was also familiar with the family lineage in a detailed hierarchy (*sanad*). This considerably influenced his writings in *Al-Muqaddimah*. As he stated that genealogies were the pre-eminence of Ashabiyyah (Enan, 2013: 134). He explained the civilization in Cordova cities which then he compared it to Tunisia and Egypt (a region in North Africa). His language style used popular and simple language that was easy to understand. His position as the personal secretary of Abu Salim, a sultan in Morocco, had trained his language skills, (Enan, 2013: 137). Undoubtedly, he understood the details of work division in the royal environment.

In the era of Ibn Khaldun, the territory of Tunisia was occupied by the Hafsiyyun Dynasty. The east region was Egypt that previously occupied by the Fatimiyyah Dynasty, while the northern region was the government center that previously occupied by the Umayyah Dynasty. His lifetime was after the end of the Crusades. At that time, dynasties in the Middle East emerged and reached glorious era which then experienced a shrinking power, no more than 150 years.

Geographically, the condition of Tunisia was no different from other North African regions. It was resided by groups of city dwellers, inhabitants in small settlements, northern Berber people (Turks) who inhabited the grasslands, and nomadic (Bedouin). In this period, the Bedouin groups were known for their strong tribal solidarity and courage since they lived in the wildlife.

Ibn Khaldun's time span was after Ibn Taimiyyah, well-known for *Majmu' Fatawa* book which contained the concept of price formation in the market. At that time, a currency -dinar and dirham- was printed with the royal stamp. Book keeping and administrative systems were well-conducted, and historical writing was also conducted. *Al-Muqaddimah* mentioned that author was considered as any other professions such as poets and singers.

The thoughts of Ibn Khaldun could not be separated from the social-political situation at that time. From the thoughts he poured in *Al-Muqaddimah*, we can conclude that what he wrote was a social condition in the North African desert during that period. However, his style of writing was considered as a new style. In this period, 'knowledge' (*al-'ilm*) was identical with the 'fixed' knowledge. Undoubtedly, knowledge in social dynamics and social development did not receive much attention. For example, a philosophy which investigated the essence of everything in life was considered as a 'fixed' knowledge. Therefore, many scientists praised the book of *Al-Muqaddimah* and its influence on the sociological writing style in Europe. Arnold J Toynbee mentioned *Al-Muqaddimah* as a historical philosophy in which its undoubted privileges everlasted wherever and whenever. This was related to the philosophy of the history of power cycle, in which every power constantly experienced rise and fall.

b. The Background of Karl Marx's Life

Marx lived between the year of 1818 and 1883 in Prussia, and he passed away in London. At that time, Europe experienced industrial revolution where large-scale industries required a lot of man power, and liberalism rose. Marx came from a Jewish family yet he was skeptical towards religion. The thought of Feurbach became the starting point of Marx's criticism of religion (Soeseno, 1999: 75). In one of his writings, Marx declares that religions do not create the mankind but men create the religions (*ibid*).

He was an activist of the labor movement, a writer, and an academician. His works included *The German Ideology*, *The Communist Manifesto*, and *Das Capital*. In Berlin, he joined the Hegelian youth group, a dialectic philosopher. Hegelian dialectic explained the constant contradiction between one idea and another so that an improved idea was created from another idea. Marx agreed on some parts of the Hegelian dialectic; he argued that dialectic did not occur in ideas but it occurred in the real life such as class conflict between the capitalist class and the working class (Soeseno, 1999: 65). The contradiction between ideas occurred in the mankind history (Hegel), yet Marx suggested that the history of societies until the present day was about the history of class conflict. Generally speaking, the thought of the young Hegelian's was more materialist (atheistic) rather than idealist as Hegel himself believed (Farihah, 2015). Furthermore, Marx learned a great deal about the principle of development through the idea of contradictions and conflicts that he gained from Hegel (Zeleny, 2004: 76).

Marx's life was almost the same as Charles Darwin, and by then Marx had read about Darwin's theory of evolution. Marx followed Darwin's theory that the origin of man and his *history* was the highest product of organism (Soeseno, 1999: 227). According to Darwin, species evolved because of their survival to nature, as well as from other predatory attacks. Marx seemed to draw this claim into the law of human history (Nitecki 1992: 212).

At that time, the movement of socialism had been common in Europe. This movement was a protest movement against social inequality between the capitalist class and the working class. This ideology was embraced by a group of socialist who aspired to restore the society regardless of the ownership of production factors. Marx and Fredich Engels were involved in revolutionary activities in France. Many commentators believed that what Marx did was 'marrying' the economic thoughts of socialism and Hegelian.

Marx experienced failures from his movement activities hence he turned to a more serious research in 1849 in England (Soeseno, 1999: 166). He observed the working conditions in the British industries. The results of this observation were eventually poured into the book of *Das Capital*, a book which contained the stages of destruction of capitalism.

c. **The Principle Differences of Background and Thought**

Ibn Khaldun is a Muslim scholar, undoubtedly, the recitation of the Qur'an and Sunnah flourish his writings in the Book of Al-Muqaddimah. In each chapter of the book he writes, he always ends it with a praise statement to God. Diametrically, it distinguishes his writing with any other thinkers of the 19th century. In the development of knowledge, this century is known as the atheist age when the existence of God is questioned. All the previous theories related to religion were changed according to the materialist ideas. Biological science was previously known by the Islamic world as life science which was based on the creation of a body, either species or man, created directly by God. However, Biological science-although the same object with life science-was then referred to the theory of species development which called the theory of evolution. Furthermore, the theory of evolution was later adopted by Marx as the basis of his theory. There is a similarity between Marx and Darwin about the struggle for life and the struggle to survive. The Marxian concept is formulated based on the class struggle. Marx states "Darwin's book is very important and serves as a natural scientific basis for the class struggle in history" (Harris, 1981: 233).

Ibn Khaldun and Marx have many similar views such as using induction methods as well as a historical description and analysis to formulate a social theory based on material sources (Hanafi, 2004: 161). Ibn Khaldun stands on the civilization history which he sees it from the destruction of Islamic dynasties. Subsequently, he compiled a book about the rise of empires and the fall of empires. Whereas, Marx roots his writings on the social reality of Europe, that is, the labor exploitation by the capitalist groups. He reviews the prerequisites of the destruction of capitalist society in terms of socio-economic conditions. Having said that, the object of Ibn Khaldun's thought is economic civilization built by the empires, while the object of Marx's thought is the industrial societies in Western Europe in the 19th century.

The background of their thoughts is certainly different from the present time. The current conditions are too complex to be viewed by the past observation. In the industrial sector, manufacturing industry is increasingly developed. However, labor welfare varies between the past and present times. Yet the most important element of labor revolution lies on the point where unreasonable labor exploitation reaches 'class consciousness' phase. Today's situation is also different from the past monarchy where a country solely depends on the decision of a king. Today, there are many powers outside the king such as opposition, parliament, and mass media. This is surely different from the time Ibn Khaldun wrote the Book of Al-Muqaddimah, although, some of Ibn Khaldun's conceptions are still relevant to the present time such as the correlation between civilization development and the increasing demands of service and expertise jobs (architecture, art, etc.). When a society experiences a chaos state, basic needs are more important compared with another type of needs such as service and expertise.

d. **The Theory of Working**

1) **The Principle of Working According to Ibn Khaldun**

The distinctive feature of medieval Muslim scholars -in this case is Ibn Khaldun- and modern European scholars -in this case is Marx- is that Muslim scholars generally classify science into two things: (1) the Naqliyya Science, knowledge which cannot be attained by reasoning because it involves the Almighty Allah and supernatural beings based on the Qur'an and As-Sunnah; and (2) the Aqliyyah Science, knowledge which can be obtained through logical reasoning (Saiful, 2015: 231)

Ibn Khaldun extensively explains sovereignty and destruction of empires by rooting to 'human nature'. According to Ibn Khaldun, human nature needs to 'eat and drink' from birth to

death. Ibn Khaldun explains that Allah provide every human need as stated in Qur'an Jatisiyah / 45 verse 13 and Ibrahim / 14 verse 32 (Khaldun, 2000: 447).

According to Ibn Khaldun, 'the hands of man lie upon the whole universe and everything in it, in which God made man as His vicegerent, a caliph upon the face of the earth' (Khaldun 2000: 448). God gives human life through the rain to grow plants and crops to produce fruits. God also created cattle to produce milk, leather, meat, and so on. Everything is provided in nature.

The mankind is obliques to utilize and manage the resources given by God such as producing raw goods into valuable goods, managing farm field, raising livestock for commercial or self-consumption, carpentry, or other related business activities which require 'work'. According to Ibn Khaldun, 'work' contains a value. Work makes a low-value material or invaluable material into a higher value material. Accordingly, work is a process of adding value to a particular material (Khaldun, 2000: 450).

In Arabic, work is called '*Aisy*', while the place / type of work is called '*Ma'isyah*'. *Aisyh* is a *musytarak* word which means a word with several meanings. It can be defined as a work or life. This is because '*aisy*' makes life (*al hayah*) possible (Khaldun, 2000: 451). Mankind possesses such human nature to exploit the natural resources. Accordingly, Ibn Khaldun states that the most 'primordial' type of work is agriculture, which then followed by carpentry.

Agriculture was first introduced by Prophet Adam whilst the second prophet, Prophet Idris, introduced carpentry. Agricultural technique precedes carpentry technique because agriculture is a very simple process in which it requires a simple knowledge (Khaldun, 2000: 452). As we know, farming is generally about cultivating and maintaining. Whereas, carpentry includes a lot more complicated knowledge compared with agriculture.

The third type of work is trading (*tijarah*). Ibn Khaldun tends to view trade as a negative activity because it is identical with persuasion, forgery, dishonesty, and so on. Nevertheless, trade is a legitimate activity since Islam allows it as long as it does not illegally take other people's goods. These three types of work are indeed needed by the mankind. Whilst other types of work are not necessary because they are not needed in life. For example, servants, treasure seekers, and even governments are not a natural way of making a living (Khaldun, 2000: 451).

Referred to the aforementioned statement, Ibn Khaldun classifies two major types of work namely the work which directly related to the fulfillment of life and the work which is not directly required for the existence of human life. This reminds us of the two economic sectors namely real sector and nonreal sector. The real sector is an economic activity that is directly related to livelihood and the fulfillment of human needs. In the event of a crisis, the State will be able to survive as long as food supplies, food security, services, and trade sectors are still abundant.

2) The Principle of Work According to Marx

Marx, like Ibn Khaldun, he first explains the essence of labor before further describes the economic concept. This is because work is making a human life. According to Marx, man is the following development of ape species. Biologically, human is just like any other species who needs to live, needs food and drink. Marx's conception returns humans into their early stage of life, that is, hunting and gathering before the establishment of land ownership system.

Man exists because of working hence work is the real essence of a humankind. In the relation to nature, man is seen as a working being. For that reason, Marxian views the essence of a man as a homo laboran (Hadiwijono, 1980: 120). The influence of Darwinian thought on the life of species has considerably influenced Marx, because just like Darwin, Marx views a man in the relation to 'stomach' affairs. A man cannot fulfill his own needs alone unless he lives in a group. Living in a

group also occurs in most species in which they are familiar with the division of labor. In contrast to the species which only requires a simple work division, humans need a more complex work division in their life. For example, fishing requires different groups of people to create nets, create boats, catch the fish, sell and distribute the captured fish to the broad communities. Accordingly, work division and the use of production modes are naturally existed in the everyday life (Marx, 2009: 117)

There is a historical aspect within the scope of work since work is passed down from one generation to the next. Following this, technology is developed to facilitate work process. The next generation continuously improves the existing technology. Furthermore, people need ethics to regulate their social gathering. The establishment of ethics is not about the search for ideas of 'good and bad'; Marx argues that it cannot be separated from economic infrastructure. According to Marx, ideas are abstract which cannot change society; materials do change the society (Martono, 2014: 45). Human adaptation to their material environment, through labor, is a part of working / economic relationship (Johnson, 1994: 135)

In the beginning, there was no such private ownership of the land. People directly worked in the communal land; this was the initial phase of socialism. Subsequently, private ownership was introduced as the antithesis of communal ownership; this was the time when social life was divided into two contrasting categories namely the landowners and labors (Marx 2009: 293). The polarization between the landowner and the landless is caused by the inability to protect their property from the enemy threat. In this pattern, farmers have no longer a rice field, however, they still can work for the landowners or feudal groups in which some of the yields belong to the landowners (Two, 2008: 94). The ownership system over factors of production is the beginning of human alienation towards work. In the previous phase, people manage, plan and enjoy the natural resources (Smith and Raeper 2000: 118). However, the phase of land ownership leads to the isolation of people from their human nature, because they can no longer plan or enjoy the results of their own work (Smith and Raeper 2000: 118).

In the feudal system, there is a legal ownership over a vast land by one family, and many slaves cultivate the land for the landlord. In this point, the production relation takes place between the landlords and their slaves. The landlords occupy the upper structure in the social stratification, while the slaves occupy the lower one. The landlords have a certain relationship with the governments; the slaves cannot directly receive the results of their work because all their 'value' of work are devoted for their landlords (Soeseno 1999: 17).

The feudal phase has gradually transformed into a capitalist system as it has occurred in Europe (especially England) with the invention of the spinning machine which enables people to quickly produce commodities. The need for the increasing production requires more labors in the industrial sectors. As a result, labor groups emerges.

Marx emphasizes the history of modes of production, the means of production, and the relation of production that has shifted from one stage to another. The development of modes of production influences the society during the initial phase of modes of production (hunting and gathering phase) and the phase of communal land and forests. There is no such social stratification at this phase. Following this, modes of production have changed into a settled agricultural system which creates land ownership and enables social stratification.

The phase of private ownership creates a relationship between masters and slaves which is known as the feudal phase. At this stage, people are completely alienated from their own work. They do not receive anything from their work. Religion still receives an attention before the advent of the industrialization phase. Modes of production are about creating commodities on a massive

scale, organizing labors, and production relations between capitalists and labors. This phase forms urban communities, mostly are groups of workers, who work for hours to earn much lower wages than their actual 'value' of work. (Maksum, 2015: 155)

3) The Comparison between Ibn Khaldun and Marx in Viewing the Principle of Work

The main difference between Marx and Ibn Khaldun is the basis they use to observe society. When Ibn Khaldun views the emergence of empires, he observes how a group of people controls such sovereignty over a territory. He learns that sovereignty is based on *Ashabiyah* (tribal solidarity). The high "value" produced by the worker has no effect on the establishment of a sovereignty. Nevertheless, the inequality of economic distribution and the wealth accumulation which are done by a few people may lead to power bankruptcy.

Marx does not observe *ashabiyyah* or social bonding/coherence factor (borrowing Durkheim's term) which leads to the state establishment. Instead, he uses conflict approach (not coherence approach) in which conflict (dialectical relationship) between the landlord and worker (slave, labor) is the root of the law and norms formation, facilitating the relationship between landlord and slave. In some of his statements, he states that Darwin is his inspiration. This means that conflict over economic resources is innate of species. It is also understood by Tan Malaka in the *Madilog* book.

The concept of Struggle for Life is a concept that inspires many theories, even Spencer from the liberalist economic group uses this concept to justify that poverty in Africa is the impact of a defeat of competitions. The use of "the struggle for life" concept is highly controversial to discuss society.

The conception of work by Marx and Ibn Khaldun still survives the present day, and it relatively can be used as a philosophical basis. This is because the concept of work by these figures is based on metaphysical assumptions (beliefs). For example, work in Marxian conception assumes the development of the human species. One seeks work by farming, trading, or being an employee, essentially to fulfill life just like a species forage for food. Whereas, Ibn Khaldun views work as optimizing potentials in managing natural resources by processing raw material into a useful thing. It is based on the common sense and logic given by God, and also nature provided by God. This can be found in various forms in the modern life such as in the field of mining, carpentry, agriculture, and etc.

4) The Theory of Surplus Value by Ibn Khaldun

a) Accumulation of Surplus Value by Ibn Khaldun

According to Ibn Khaldun, benefit is the "value" of their work. If one does not work, then the value = 0. Each benefit contains a value that can be exchanged with other objects, equivalent to the 'work' value. The 'work' value is equivalent to the demand level for the product. The more demands of a product, the higher value the product generates. A trader earns the value from the difference of purchasing and sales. Therefore, the value depends on one's work; the more efforts and work one performs, the more "value" he/she generates.

'Value' is always generated from work while bureaucratic position does not generate such value. By using the power of position, one can obtain "value" which is generated by others especially trade-related activities that have plenty of farmland and sales. The big traders need to approach the authorities in a way to secure their trade activities. Therefore, having such position may gain wealth in a short time (Khaldun, 2000: 460-461)

This is still relevant to the current situation where capitalist requires the investment

security from the government. Some of them perform lobbying in an effort to get a license for land clearing, mining, and etc. Access to the relevant officials helps to facilitate business developments as well as to get government's protection. Nevertheless, the context is different between the past and present times when the distribution of power in Tunisia at that period was only centralized in one person.

The highest position is occupied by the king, for which no other power cannot regulate him. Whereas, the lowest positions are occupied by those with absolutely no influence at all (Khalidun, 2000: 461). Therefore, "position" constitutes a social stratification within a kingdom. It includes people with hierarchical positions in which each level has a particular influence, depending on the level of positions to the king. Such influence can be obtained from having a relation with the 'clan' or king's extended family, or it can be obtained from having certain positions. This influence has the ability to obtain 'value' (profit) from other parties.

Because the wealthy owners who are keen on helping the needs of community require such power to protect them -besides prestige-that can be obtained from having a close relation to the king, close friends of the king, or social solidarity in which the king honors it. In his shelter, they can calmly and peacefully live, free from enemy attacks; if they do not possess any of it, they will get exposed by all forms of deceit and legal excuse.

Ibn Khaldun interprets the above verse that one with a higher position can lead men to work more actively, the rulers may protect them from various dangers (from barrack or Bedouin attacks), the governance system may provide fruitful benefits, and this governance may enable law and religion enforcement.

The characteristic of Ibn Khaldun's writings lies on the fact that he sometimes uses full of 'positive' tone but some other times describes in a 'negative' tone. This can be seen when he describes Bedouin communities that they are born from nature, brave, strong, and bold in facing any situation. However, elsewhere in the same book he has written, he describes Bedouin communities as uncivilized people. Likewise with his writings related to the government. On one hand, he says much about the fruitful benefits from the 'hierarchical structure of the government. On the other hand, he describes the 'negative' side of the government.

b) The Accumulation of Surplus Value by Karl Marx

Surplus value is one of three central issues in Karl Marx's thought, in addition to the theory of class struggle and the theory of dialectical materialism (Wiraman, 2014: 9). Marx is much inspired by the previous theories. His opinion of materialism is based on the conception of Feuerbach, his opinion of Dialectics based on Hegel, and his opinion on Value is more from David Ricardo. Whereas, the idea of socialism in Europe has evolved long before Das Capital. Marx has previously read economic thoughts of Adam Smith, David Ricardo, and so on (Soeseno, 1999: 90)

Marx considers Hegel's philosophy in terms of conflict. However, Darwin's influence on the thought of survival of the fittest is more interesting. This is because conflict does not occur in the competing idea, but rather the struggle for economic resources. Marx criticizes the absolute idea of Hegel that manifestation of the state is the result of partial idea, therefore, the absolute Idea overcomes the partial idea (Pals, Daniel L 1996: 133). This does not pay much attention to the idea of abstraction but it pays attention to the concrete matter instead. One of the main attention is the surplus generated by the workers.

The notion of surplus value sees the value of work from the duration of work, type of work, and quality of work. A commodity is not only about the value resulting from its advantage, but also the value resulting from the magnitude of the work done by the workers. The number

of commodity produced by the workers is greater than the amount of wages paid to them. As a result, there are price differences between the actual value generated by the workers and the amount of value provided by the investors to them. According to Marx, the ideal situation occurs when there is a balanced relationship between workers and employers. On one hand, employers have the capital to mobilize commodities. On the other hand, workers have the rights to decide such cooperation. In fact, the workers are willing to 'sell' their children and underage youth to work (Marx, 2009: 198). Moreover, children work for 24 hours without a break, etc. (Soeseno, 1999: 188)

In this point, the 'value' produced by the worker is being cheated. The greater number of workers used in an industry, the greater the value is being generated. Having said that, the capitalist party takes much bigger profit from it.

c) The Comparison of Surplus Value

Accumulation of values in the royal system is about a misuse of tax and gift distribution. This is due to the absence of trias politica in which the king plays an absolute role without any institution overseeing him. This accumulation comes from the farmer's taxes which the government uses to pay the army, police, ministers, and *qadhi* (courts). Whilst the rest of the money goes to the luxuries facilities of the royal family. In addition, such royal positions enable them to receive gifts from the wealthy merchants. At that time, there was no corruption concept to consider this collecting prize activity as an abuse of power. Prizes were given to maintain a good relationship with the rulers in a way to secure their business.

The accumulation of value in the 19th century industries is done by paying wages under the actual 'value' of work. Workers work for more than half a day but their wages is only enough to meet their basic needs. The capitalist groups gain their wealth from the difference of the value of work done by the workers and value that the capitalists give to the workers.

The accumulation of value by the government to increase their luxury is equivalent to the accumulation of value by the capitalist groups to increase their profit. As a result, it creates a gap between the bourgeoisie (capitalists and government) and the proletariat.

In the current context, the value of work refers to 8 hours per day and the amount of the regional minimum wage (UMR) which is based on central and local government regulations. The measurement is conducted by measuring incomes minus expenditures; the rest is equivalent to surplus value. Profit from investors is the interest from the shares they invest in a company, and the obtained interest is generated from the net profit.

In the year of Ibn Khaldun, the king often received various taxes and gifts. Today, such rewards are considered as corruption (bribery). It was certainly possible for the king and his officers to receive many gifts in the old days when there was no rule forbidding him. Nevertheless, it is no longer possible except by stealth. Although regulation has been established, there are many government officers with a fantastic wealth far above their salary and benefits.

5) The Law of Necessity

a) The Law of Necessity on the Destruction of Sovereignty: Ibn Khaldun's Thought

The law of necessity is the belief that society will develop from one stage to another, from one condition to another. One stage is naturally followed by the next stage which can be predicted. This is one of the similarities between Ibn Khaldun and Marx.

Despite the importance of a governance, the nature of governance often possesses a negative side. A fair use of power is an ideal form of governance, but in reality, the use of power is often manipulated for their own interests (Khaldun, 2000: 462). Historically, Ibn Khaldun

argues that the age of an empire is likely the same as the human age, that is, it never lasts for more than three generations (120 years). The first generations are the founding fathers who have the characteristics of the knights, modestly, and away from extravagance. This is because their life is still filled up with the wildlife spirit (brave, wild, and modest). Contrary, the next generations start to pursue a luxurious life and wasting taxes, yet they still have the character of their predecessors. The third generations are the worst of all in which they spend a huge expenditure for paying salary and their own luxury; they neglect the life of the knights (Khalidun, 2000: 208-209).

According to Ibn Khaldun, the destruction of a state occurs through several causes (Khalidun, 2000, 205-206):

- 1) The distribution of power is in the hands of one person. When a king concentrates power only in his hands, he sets aside others and ruins solidarity. In fact, solidarity is the beginning of the kingdom establishment.
- 2) The creation of a state carries out luxuries because everyone is not only satisfied with basic needs. When the basic needs are met, other needs emerge. This includes the need for luxury. As a result of the high demand for these luxuries, expenditures outweigh incomes. For that reason, other budget allocations are cut, for example, the military budget. The consequence of cutting this budget is risking the state security and defense.
- 3) The negative character of a settled culture:
 - a) Lazy, lavish, and extravagance
 - b) The loss of ancestor living habits: wandering, robbing, exploring, and searching for self-determination.

b) The Law of Necessity on the Destruction of Capitalism: Karl Marx's Thought

Referring to Marx, the Law of Necessity is rooted in the inevitability of conflict between the bourgeoisie and proletarian class. These two classes are constantly in conflict with each other. Marx applies social conflict theory which assumes intergroup relationships are not functional (every person plays his/her social functions) nor coherent (every person is attached to his/her social group) as it is generally understood, but the nature of social relationship is actually a conflict.

The proletarian revolution is rooted in the understanding that the relationship between the capitalist bourgeoisie class and the proletarian working class is not a work division-related relationship; it is a contradictory relationship instead. This assumes that the contradictions in Hegel's dialectics are not *contradiction* on a conceptual level, but it is class contradictions. (Enan, 2013: 438). Revolution occurs when a situation reaches a certain point where the workers are aware of their positions (class consciousness) due to the individual crisis.

Those points are derived from the 'mistake' that the capitalists surely have made, that is, they reduce the price as low as possible for their market expansion in a way to ensure their commodities are accepted and won the market. If the price of commodities falls, the volume of production should be increased in order to maintain profits. Market expansion causes the shift from agriculture to industry, or from feudal phase to industrial phase. This gradually leads to a cheaper labor market. When the labor force in the industrial sector increases, whilst the bourgeoisie are unable to prosper their workers, it causes the working class can no longer afford their needs; this is due to the extremely cheap labor system (Soeseno 1999: 173)

The stages of social development, from the pre-communist phase to feudalism and then to capitalism phase, are inevitable stages. The destruction of private property by the socialist movement is also a necessity in history. Marx views that the destruction of capitalism is isolated to ethical judgment, it is a necessity instead (Soeseno, 1999: 51).

c) The Comparison of the Law of Necessity

Almost in line with Marx's argument, the accumulation of 'value' in the form of taxes and gifts leads to royal's luxuries which later induce bankruptcy. The luxuries of the high position officers are not about 'like or dislike', but it is a matter of dignity. Therefore, the creation of a kingdom is due to the strong social attachment of a powerful tribe. They establish a kingdom and entrust one of them as a king. Nevertheless, the next offspring is no longer one tribal tie as before due to the issue of jealousy and unequal distribution of ration. Subsequently, it comes to the phase of defiance which weakens the state. Dynasties always rise and fall, causing others to rise yet experiencing the same condition as the previous dynasty. Accordingly, the shift from one dynasty into another dynasty is a kind of cycle that keeps circulating. This distinguishes with Marx's argument in which the destruction of capitalism due to the accumulation of surplus value is the end of the story.

According to Marx, the destruction of capitalism is due to the nature of the capitalist system which always seeks for profits. The profits are derived from surplus value generated from the workers. The more workers, the more value it generates. This is in line with Ibn Khaldun's opinion that the destruction of empires is because of the nature of the rulers who always waste the state money. Marx 'blames' the production relationship, while Ibn Khaldun blames one's psychological nature. Both claim that this 'mistake' (contradiction) is natural and necessary.

The factors of the destruction of a state by Ibn Khaldun are sociological, economic, and psychological factors. The destruction of a state is not only caused by economic factors, economic factors are only one of the several factors. Moreover, Ibn Khaldun explains the psychological factor of the Bedouin group in a much larger portion than the destruction of a state. In Chapter II of *Al-Muqaddimah*, Ibn Khaldun explains the difference between the Bedouins and the settled communities. Bedouins tend to be brutal, have the potential to conquer and develop a territory (later establish an empire).

Ibn Khaldun does not talk about the destruction of economic sector in destroying the state. Contrary, Ibn Khaldun argues that the destruction of a state will destroy the economy because of the lack of wealth protection. The carpentry industry will also collapse due to the lack of demands. According to Ibn Khaldun, the population and security of the state will elevate the economy because of the increasing demand for the product.

This is different from Marx in which the economic infrastructure builds the superstructures such as law, ethics, social institutions, and etc. The work relation and the modes of production determine the types of community. Moral and religion are additions or media against the alienation between individuals and works. Whereas, Ibn Khaldun assumes that religion and law are alienated from economic activity. It is not the product of human alienation, but it is the magnificent rules directly from God.

Today, capitalism is not confined to a particular place, a few investors, and worker-related issues; it is much more complex which involves many investors who own shares in a company. In the modern society, the state is also influenced by the concept of *Trias Politica* in which the role of state leader (king or president) is overseen by Parliament. The economic system is not only determined by real business sector, but also stock market sector. In the situation of a chaotic state, the stock sector is greatly impacted by the fleeing investors abroad. This is almost similar

to Ibn Khaldun's argument that the destruction of a state determines the economy, especially the trade sector. Whilst, it does not have much influence on the agricultural sector. Ibn Khaldun argues agriculture is the simplest sector which allows everyone to take part in it. Ibn Khaldun's thought on the destruction of a state is also relevant that the royal family's extravagance and public distrust leads into bankruptcy. This is relevant to the fact that corruption disables the state to obtain incomes (taxes) and ultimately the state will be collapsed as it can not pay for any development works.

4. Conclusion

The thoughts of Marx and Ibn Khaldun have some similarities, despite the different paradigms and the use of induction method in constructing a law. Marx uses Darwin's theory as the basic assumption of the nature of work. Whilst, Ibn Khaldun views work as using all potentials given by God to seek His grace. For example, managing nature into useful things.

Observing Marx and Ibn Khaldun's thoughts, an academician will not be able to examine one's thoughts apart from one's contexts. This is because one's thoughts are inseparable from his/her activities, situations, social development, and knowledge. Despite both figures have similarities, in terms of the necessity of socio-economic development, their thoughts are built upon two very different paradigms. One cannot take both ideas of Marx and Ibn Khaldun in one package -to explain the essence of work, the theory of surplus value and the necessity of socio-economic development-without first examining the paradigm used by both thoughts.

Some parts of Marx and Ibn Khaldun theories are still relevant until today, but some other parts are not. The relevant and applicable parts occur in the macro scope, but not in the microscope. For example, theory of the destruction of a state by Ibn Khaldun is relevant in the macro scope that the destruction of a state starts from financial problems. However, a state with a stable budget condition may be hit by a monetary crisis which later causing the soaring prices in the market and unaffordable price to the public. This condition may subvert a regime such as the May 1998's Revolution.

Likewise with Marx, many things can be applied in the macro scope based on Marx's thoughts, including surplus value. For example, labor demonstration is due to a lack of workers' salary and welfare. The decreasing labor salary means the increasing surplus value. In this point, the workers will eventually experience class consciousness and labor movement in the macro scope. However, this condition only occurs locally. It does not change the foundation of the modern capitalist economic systems. In many cases, the disputes between workers and employers can be solved through negotiation or mediation by a third party (for example from the governmental element).

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The Evaluation of Mustahiq Empowerment-Based Poverty Alleviation Program at Amil-Zakat Organizations

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Abstract

The increasing number of the poor in Indonesia makes the management of zakat play more important role. LAZs (non-profit organizations managing zakat) which functions as collecting and distributing zakat, infaq, and shadaqah in Indonesia is potential to develop as an attempt for equal distribution of national income, as well as a solution for poverty alleviation. Common empowerment programs by LAZs include education, health, social-humanity, and economy. Those all are consistent with government's poverty alleviation programs, as mentioned in the Constitution 1945. "Evaluation of Mustahiq Empowerment-Based Poverty Alleviation Program at Amil-Zakat Organizations in Surabaya" points to a theory by Wirawan that evaluation was conducted through three phases; evaluation of process, evaluation of usage, and evaluation of effect. it aims to see whether or not LAZs' empowerment programs run well and thus, be potential to be developed as a solution for poverty in Indonesia. The result showed that the empowerment programs in education and health areas were found well-implemented, while the other facets including economy and social-humanity still need more improvement within.

Keywords:

Evaluation, *Mustahiq* Empowerment,
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