

THE IMPLEMENTATION OF FISCAL FINANCE BY UMAR BIN KHATAB (AN ENFORCEMENT IN INDONESIA)

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ABSTRACT

Umar bin Khattab is a Caliph who replaced the leadership of Abu Bakar after his death. Umar bin Khattab led the people starting in the year 13 AH/ 634 AD. Poverty is decreasing and the welfare of employees is guaranteed. This research uses a descriptive qualitative method by collecting the data from books such as history books of Islamic economic thought, the historical milestone of the economic thought of Umar Bin Al Khattab, and books such as ijthad of Umar bin Khattab. The results of this study revealed that Umar was a leader who became a role model not only in government but managing the finances of the state was also an excellent exemplar of him. Because many leaders today who carry out the fiscal policy do not consider the benefit of the people, instead enrich themselves and their colleagues in a great deal. The fiscal policy of Umar is based solely on maslahah that is in accordance with the Qur'an and Sunnah. The policy regarding the salaries of the heads of state and soldiers is a new thing. Because in the ages of the Rasulullah and Abu Bakr had never made a payroll to the Head of State and the Army. This is a sign which shows that Islamic fiscal policy in the period of Umar was more advanced.

Keywords: Implementation; Fiscal Policy; Umar Bin Khatab;

INTRODUCTION

Umar bin Khattab is the first person to receive the title of an *amirul mukminin*. In the period of Umar bin Khattab, Muslims experienced rapid success. The economy is also gain ground because the *ghanimah* or booty is not just a war suit but is huge country land that is a Roman state. According to Dr. Abdullah Ibrahim Al-Kaylan (2008) Umar bin Khattab addressed the concerns of the state on economic goals and made it an independent nation. Dr. Mustofa Faydah in his book entitled “Umar bin Khattab (1418 H/ 1997 M) explains that Umar bin Khattab) was the most conquering of the nations after the death of Prophet.

Umar bin Khattab is a Caliph who replaced the leadership of Abu Bakar after his death. Umar bin Khattab led the people starting in the year 13 AH/ 634 AD. Umar presided with the brilliant results as a commander as well as the policy of Caliph. As for the expansion in the period of Umar. This is due to the political stability of the country without interruption so it is only natural that the expansion of this period is most glorious. Medina became the capital and deliberation became the basis of the law for the various states of the peninsula that Umar sought to implement a system, both Umar and the Muslims.

During the reign of Umar was a period of conquest with the victory that always sided with the Muslims. This system of government is not a product of rational thought, nor is it because of the work of legal experts and lawmakers who meet and discuss it and then end up in a decision.

In the Medina period, Umar bin Khattab played a significant role in the process of spreading Islam, both through diplomacy and through war. Umar was always by the side of the Prophet when the battles took place. Not only that, but Umar was also known among Muslims even before the Prophet himself as one of his critical friends. Umar often protested the Prophet’s policies which were considered irrational, for example in the Hudaibiyah agreement which according to his logic only harms Muslims.

This paper reviews the policies implemented by Umar bin Khattab in economics while serving as Caliph. This study of the economic policy of Umar bin Khattab will be adapted to what is happening in Indonesia.

RESEARCH METHOD

This research uses a descriptive qualitative method by collecting the data from books such as history books of Islamic economic thought, the historical milestone of the economic thought of Umar Bin Al Khattab and books such as *ijtihad* of Umar bin Khattab, *ta'sis* of Umar bin Khattab and other information that is relevant to the scope of the discussion, so that it can synchronize with other writings which can draw conclusions.

The study of economic policies by Umar bin Khattab can be traced through the book *Fiqh of Umar Bin Al Khattab's economics* written by Dr. Jaribah Bin Ahmad Al Haritsi, and the *History of Islamic Economic Thought (2015)* from Aan Jaelani, in it explained that Khalid bin al-Walid suggested the use of diwan institutions (offices or registers). Another study of Umar bin Khattab written by Nur Chamid (2010) in his address when he was appointed Caliph, he announced the economic policies that he would carry out, including:

1. The State takes the public wealth properly and does not take away the *kharja* or *fa'i* property given by God to the people except through mechanisms.
2. States grant public property rights, and there is no expenditure except where appropriate, and the country adds subsidies and closes the debt.
3. The country does not receive wealth from the forbidden result. A sovereign does not take public property except for the collection of orphaned property
4. The country uses its wealth properly.

Another study according to Dr. Abdullah Ibrahim Al-Kaylan (2008) Umar bin Khattab confronted the problems of the State in its economic goals and made it an independent state. Dr. Mustofa Faydah explained in his book entitled *Ta'sis of Umar bin Khattab (1418 H / 1997 M)* 7 saying that the time of Umar bin Khattab (13-23 H / 634-644 M) conquered most countries after the death of Prophet. And Umar Bin Khattab was a caliph rashidin who was the longest position compared to the others.

RESULT AND DISCUSSION

A Brief History of Umar Bin Khatab

In the book of khulafaurrasyidin the work of the priest Suyuti, it is mentioned the full name of Umar bin Khattab is Umar bin Nufail bin Abdul Uzza bin Rayah bin Qurt bin Razah bin Uday bin Ka'ab bin Luay, Amirul is the almighty al-Quraysy, Al-adawy, alfaruqi.

Nawawi priest said: Umar was born in the 13th year after the elephant year event. And converted to Islam in the sixth year of Prophecy at the age of 27. Umar bin Khattab was an intelligent one among his people in the event of war between the Quraysh and other tribes, so they sent Umar bin Khattab as their envoy. During the regime of Umar, Islamic power grew rapidly. Islam took over Mesopotamia and some of Persia from the hands of the Sassanid dynasty of Persia (terminating the Sassanid empire) and took over Egypt, Palestine, Syria, North Africa, and Armenia from the Roman Empire (Byzantium).

Although he had descent, kinship, and honorable status in his family, in his youth Umar was known to be cruel and inebriate. He married many women and had many children. But most of his wives died. Among his prominent children were Abdullah bin Umar and Ummul Mukminin Hafsa. His other children were Fatimah, 'Ashim, Abdurrahman al-Akbar, Abdurrahman al-Ausath, and Abdurrahman al-Asghar. After becoming caliph, Umar was also married to Umm Kulthum daughter of Ali ibn Abi Talib, and Fatimah brother Hasan and Husayn, the grandson of the Prophet Muhammad.

Umar Converted to Islam

Before he converted to Islam, Umar was known as one of the most opposed to the command of Prophet Muhammad. Umar converted to Islam in the sixth year of Prophecy. At that time Umar was twenty-seven years old. Many stories tell of the beginning of the caliphate of Umar bin Khattab to Islam. However, among many of these histories, the most famous in the history of Umar bin Khattab to Islam. One day Umar heard that his sister, Fatimah and her husband had converted to Islam. Umar suddenly became irate. Umar hurried to his sister's house. Upon arriving there he was being furious to his sister, Umar slapped Fatimah and her husband. At the height of his anger, Umar saw a sheet with the Qur'anic verse in it. According to some history, that verse is the beginning of Taha's letter. Umar then took the sheet and read the verse. After reading it, Umar felt peace and quiet in his heart. Then Umar wanted to see the Prophet Muhammad at al-Arqam's house. At that time the Prophet Muhammad was carrying out the preaching in secret at Al-Arqam's house. Once there, the companions of Al-Arqam's house became fright, except for Hamzah bin Abdul Muttalib, uncle of the Prophet Muhammad. However, calmly and faithfully, the Prophet Muhammad accepted Umar's arrival, and with the attitude of the Prophet, Umar became soft and fearful. The Prophet then ordered Umar to convert

to Islam. At the same time, Umar admitted to converting to Islam and recited two sentences of confession (*syahadat*).

Umar Become Khalifah

After the Caliph Abu Bakr ruled for about two years, Abu Bakr was getting ill. This condition causes anxiety to Umar if he does not immediately appoint or determine the person who will replace his position as caliph. Abu Bakr then consulted with his companion to consider who should replace Abu Bakr as the caliph. Abu Bakr revealed several criteria that must be possessed by a caliph. Based on the suggestion received, Abu Bakr then chose Umar bin Khattab to replace him as a caliph. Abu Bakr then made *bai'at* which contained the appointment of Umar bin Khattab as his successor, and thus believers must be obedient to him. The appointment of Umar bin Khattab as Caliph in this way did indeed seem to have a tendency and plan for the previous Caliph. However, this situation did not cause problems among Muslims at that time. History records many major battles that became the beginning of this conquest Umar bin Khattab was killed by Abu Lukluk (Fairuz), a slave at the time he was going to lead the Fajr prayer. Fairuz was a Persian who converted to Islam after the Persian was conquered by Umar. The murder was said to be motivated by Abu Lukluk's (Fairuz) personal revenge against Umar. Fairuz felt hurt over the defeat of Persia, which at that time was a superpower. This event occurred on Wednesday, 25th Dhu al-Hijjah 23 H / 644 AD After his death the position of the caliph was held by Usman bin Affan.

Fiscal Policy in The Period of Umar Bin Khatab

Faydah Mustafa, *ta'sis Umar bin Khattab* mentioned some of economic policies of Umar bin Khatab in general on state revenues in this case include:

1. State Revenue and Expenditure

Fiscal policy or often referred to as fiscal politics (fiscal policy) can be interpreted as an action taken by the government in the field of the state budget with the intention to influence the course of the economy (Nuruddin Muhammad Ali, 2006: 88). In Kamus Besar Bahasa Indonesia (Indonesian Dictionary), it is said that fiscal policy is a government policy that deals with matters of a tax or state income. In conventional economics, fiscal policy can be interpreted as a step by the government to make changes in the tax system or in spending (in a macro concept called government expenditure) (Mustafa Edwin Nasution, 2007: 203). From some of the above

meanings, it can be concluded that fiscal policy is a policy carried out by the government in the financial sector, including state revenue, state expenditure, and debt. The three components are contained in a single unit, namely in the State Budget (APBN). Taxes are included as a component of state revenue (revenue), while state revenue is a component of fiscal policy (Gusfahmi, 2007: 144).

During the time of Umar bin Al-Khathab, the state revenue used was guided by the Qur'an and Hadith and *ijtihad-ijtihad* which he carried out along with other companions. During his reign, the caliph Umar bin Al-Khathab classified state income (foreign exchange) and the distribution of state income (state expenditure) into four parts namely Zakat and Usyur, Ghanimah (khums) and Alms, Kharaj, Fa'i, Jizyah, Usyur and Rent Soil.

Legal Foundation of Fiscal Policy (state revenue and expenditure) are as follows:

QS. Al-Anfal, verse 41 (Religious Department of Indonesia, 2005: 183): *“And know that anything you obtain of war booty - then indeed, for Allah is one-fifth of it and for the Messenger and for [his] near relatives and the orphans, the needy, and the [stranded] traveler, if you have believed in Allah and in that which We sent down to Our Servant on the day of criterion - the day when the two armies met. And Allah, over all things, is competent.”*

In the Al-Misbah interpretation Book of M. Quraish Shihab, it is said that the word *wa'lamu* (*And know*), which opens this verse contains a message to look at what to say, relating to the distribution of booty/ *ghanimah*. As Al-Qurthuby writes that there has been a consensus among the scholars that what is meant by *maa ghanimah* in this verse is the wealth of the infidels that the Muslims gained by defeating them in battle. Qurthuby means that the *ghanimah* acquired by the Muslims after combating the infidel religion (M. Quraish Shihab: 2002, 540). The above verse mentions the six who were given one-fifth of the booty/ *ghanimah*, but do not detail even mention who was given the remaining four-fifths. The scholars agreed that four-fifths were for those involved in the war. What is meant by *dzil qurbaa* is the relative of the Prophet, the decree of Allah giving part of the *ghanimah* to the relatives of Rasulullah SAW is in honor of the Prophet SAW and in return for the decree of the Prophet SAW prohibiting his family from getting zakah. Abu Hanifah emphasized that the giving was only a matter of the family of the prophet SAW if they were poor.

In his development for Umar to organize all aspects of the income of the State, he led, including *Zakat, Fai, Ghanimah, Jizyah, Kharaj, Usyur*. In Indonesia, foreign exchange reserves management can be reviewed from two related aspects namely foreign exchange reserve concept and foreign exchange reserve management aspect. For foreign exchange reserve concept described in the definition of foreign exchange reserve; the purpose of having foreign exchange reserves; and foreign exchange proposal components. The management of foreign exchange reserves are described on matters related to risk management and portfolio, including a discussion of factors that influence the determination of the number of foreign exchange reserves and their composition, institutional aspects, and transparency aspects. Since foreign exchange reserves are required to be available at all times when necessary, foreign exchange reserves are usually in the form of foreign exchangeable currency, gold, and short-term bills to non-liquid residents. Furthermore, in order for the foreign exchange reserves to be liquid, then the foreign exchange reserves should be in the form of assets that can be easily used at any time as needed. Indonesia's foreign exchange reserves position at the end of March 2019 increase to 124.5 billion USD, higher than the February 2019, recorded 123.3 billion USD.

2. Zakat

The meaning of zakat is if we take from the term of Islamic religion, it means issuing property with certain *qadar* (quantity), granted to those who reserve the right to possess it, on certain conditions. Zakat is one of the pillars of Islam and the law of fardu'ain on every person according to its condition. The basis for the grant of charity is Surat Al Baqarah verse 43:

“And establish prayer and give zakah and bow with those who bow [in worship and obedience]”

Indeed, zakat can purify mankind from the excess of mind and love of material possessions and can nourish the virtues of good in the human heart and develop its wealth. Zakat began to be enacted and obligated to Muslims in the second year of the Hijri. Zakat includes zakat *maal* in the form of livestock, gold and silver, foodstuffs, fruits, business property, zakat *rikaz*, and zakat *fitrah*.

In the regime of Umar Bin Khattab, zakat is one of the country's most prominent income. Zakat is collected from Muslims. Then provide benefit the poor people. In the period of Umar, the management of zakat was really well-organized. In the management of the charity, Umar took the experience of Prophet Muhammad. Therefore, it is not possible to make a deception to abolish the entire obligation to pay the zakat or to partially remove it. Umar said, "there should be no separation between those who gather and not those who are separated for fear of paying zakat." Then Imam Malik said: "The interpretation of Umar's words" cannot be collected among the separated "is that if there were three people, each one having forty goats means each one had forty goats, each one obliged issued zakat for a goat, but when the zakat collector was dating, they collected all their goats so that they only released two goats". While the interpretation of Umar's words "It is not allowed to Inseparable between gatherers" is that when two people ally buy a goat, they each have 200 goats, so each has 100 goats, so they should pay zakat for three goats. However, when the tax collector came, they separated (divided into two) so that each of them issued zakat of one goat only for each person, so Umar prohibited such conduct. In terms of the policy of giving zakat to the *ashnaf*, one of them is a group of mu'allafs (people converted to Islam).

The situation is completely different from what is happening in Indonesia. Zakat management is not organized maximally. The potential for receiving charity in Indonesia is estimated to reach tens of trillions and even hundreds of trillion rupiah. The Baznas and IPB research on Indonesia's zakat potential reached Rp217 trillion, but to date, the newly collected zakat has reached 1.2% of the existing potential or around Rp3 trillion.

Sahal Mahfud argues that there are many things that require to be redone regarding the management of zakat. The ever-expanding pattern of zakat payment is unsatisfactory and unsustainable with modern management patterns, and management in the form of a charity is considered to be a failure in zakat management. Therefore, in order for zakat to be a meaningful force, it needs to be structured in terms of management, data collection, storage, sharing, and even human quality and always be aware of the requirements of syar'i should be presented in a strong and rigorous organization. This vision provides the people with the need to expand the horizon of viewing, managing, and developing charity as part of the Islamic constitution which is a compulsory source of economy of the Muslims.

Zakat considered a key instrument of the country's fiscal policy used to build a prosperous society and even charity as a socioeconomic order in the fairway. In the concern of the State, zakat is viewed as a levy or tax deduction from the rich distributed to the eligible. The proceeds of the zakat collection should be able to be given to the right person as explained in the Qur'an and the surah al-Taubah (9) verse (60): *“Zakah expenditures are only for the poor and for the needy and for those employed to collect [zakah] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveler - an obligation [imposed] by Allah . And Allah is Knowing and Wise.”*

It is clear concerning the parties entitled to receive zakat where since this obligation was handed down to Muslims until now, it seems that it still does not provide a correlation to the change in the fate of the mustahik intended. Seen from the management aspect, there has not been any encouraging progress. Expectations of a change that should have decreased the amount of poverty and the number of obligatory zakat are increasing, yet precisely at this time, the poverty rate in various countries that are predominantly Muslim is still a problem of the State. Therefore, the management mechanism must receive serious attention from everyone who has the authority or has domination.

3. Kharāj

The definition of kharaj is the land tax that is required by the Head of state for the people who enter into a protection agreement with the State. The earth tax that must be issued is due to the following three conditions:

- 1) the land whose owner has converted to Islam, this kind of land is legitimate belongs to the owner, and there is no tax obligation on him.
- 2) Earth of peace, for instance, every earth whose inhabitants enter into a peace treaty with an Islamic state, so that they remain their property. The earth like this must be taxed, and the earth remains theirs.
- 3) The earth was conquered, that is, the earth whose inhabitants were conquered by the sharpness of the sword, and the earth was not distributed to those who were entitled to the spoils, but the earth remained theirs. Umar never let the land and did not distribute it to the Muslims.

Umar had obliged the land tax only on soils that had many seeds and fruits, which were abundant in yields and abundant. And do not impose land taxes on poor people and the land that is built into their dwellings. People who are obliged to pay land taxes include:

- 1) the owner of the land tax agreement which is required to the owner of the agreement, is the same as the tribute law. If the owner converts to Islam the earth tax is lost or no longer required. And if the land is sold from the infidel A to the infidel B, then the taxpayer falls to the infidel B. Then, if the land is sold from the infidel to the Muslim, the tax obligation will be lost.
- 2) Residents whose land has been conquered, In this case, if the landowner converts to Islam, the tax is still compulsory. It's just that tribute is no longer required. Therefore Umar obliges taxes on those who own land, whether male, female, Muslim, or *Kafir* (infidel).

Considering the huge amount of tax that must be paid, the head of state is required to be observant in determining the land on which plants are planted and how. Umar had taxed the land planted with wheat for four dirhams for each of his fields and two dirhams for the land planted with barley in each field. The condition of these fields is reached by water. While those planted other than these plants and can be reached by water, Umar set one dirham and one qafiz of wheat and set ten dirhams and ten qafiz of wheat to tax two farms. While the date palm field was set by Umar a tax of five dirhams and five qafiz of wheat. There are two narrations that state that the tax on land planted with wine, first; ten dirhams and ten qafiz of wheat, the second; the tax is eight dirhams. And for fields planted with sugar Umar requires six dirhams and six qafiz of wheat. Umar did not require taxes on dates, yet the date palm tree went to his land.

In practice, Umar has chosen what is appropriate and feasible in tax collection, and what should be taken in taxes, as well as meekness in tax collection. Discussing what taxes he should take, one day Umar had heard his employees collect taxes on liquor and pork, so he said to his employees: “Do not do that (take the liquor and pigs taxes) but supervise their trade and get the results.” and being gentle in taxation, Umar had been approached by his servants with a great deal of tribute and land taxes, Umar said; “I did not think you could hurt people.” The officers answered; “By Allah, we do not mean to hurt them, we will not take their taxes except for the

meek and sorry.” Umar asked “Not wearing a whip and a stick?” they answered “yes, it is right” Then Umar said, “Praise be to Allah who does not cause injustice in my power and leadership.”

The methods of collecting taxation in the period of Umar Bin Khattab were also carried out in Indonesia. However, in practice, there are still many weaknesses. Among them, the current tax collection is not optimal. Tax collection is not done fairly. Umar tax collection starts from the apparatus as well as state servants, but in Indonesia, it is not so. The tax is more imposed on the people who possess middle to lower-income. So the results are not optimal. It is seen from the taxation of Domestic Tax Revenue which consists of income from PPh, PPN and PPnBM, PBB, Excise, and other taxes. The main factors affecting domestic tax revenue are economic growth, inflation, and the rupiah exchange rate against the US dollar.

4. ‘Usyur (Customs)

The definition of *usyur* is something that is taken by the state rather than traders who pass through a country. *Usyur* can also be called as customs. *Usyur* is a tax that is levied on merchandise that enters an Islamic state or comes from the Islamic state itself. The legal basis of *Usyur* in the Qur'an explains the An Nisa verse 29: “*O you who have believed, do not consume one another’s wealth unjustly but only [in lawful] business by mutual consent. And do not kill yourselves [or one another]. Indeed, Allah is to you ever Merciful.*”

In this verse, God forbids His servant to be unjust to one another in an unlawful way.

This Customs Institution is not a term that has one meaning, but two terms that also have a different meaning, Customs itself is an act of levies from the government for exported or imported goods, while excise itself is a state levy on goods that have nature or characteristics that have been stipulated in the Excise Law. Thus, if customs and excise are combined it has the meaning of an act of government levy on exported and imported goods as well as an item that has special characteristics.

Customs management in the era of Umar Bin Khattab is dissimilar to customs applied in Indonesia. Umar Bin Khattab did not include non-halal income items such as alcohol, while in Indonesia this item was one of the main supporters of revenue. From the data of the Financial Note, the Draft State Budget and RAPBN 2019 stated that the excise revenue in the 2019 Draft State Budget in RAPBN is targeted to be Rp165.501 billion, consisting of excise of tobacco products (HT), ethyl alcoholic excise (EA), an excise of beverage containing ethyl alcohol

(MMEA), excise administration fine, and other excises. Excise revenue in the 2019 RAPBN increased 6.4 percent compared to its target in *outlook* 2018. Things that led to an increase in excise revenue targets include an increase in excise tax rates on tobacco products, continuing programs to curb illegal cigarettes, and plans for the addition of taxable goods (Barang Kena Cukai) in the form of packaging/ plastic bags. Determination of the target of excise revenue continues to be directed to control consumption and reduce the negative impact (*negative externality*) of excisable goods through adjusting excise tariffs on tobacco products, ethyl alcohol and beverages containing ethyl alcohol (MMEA), as well as plans to impose excise on new excisable goods in the form of plastic bags. Comparison of excise revenue in 2018 and 2019.

5. The Establishment of *Bayt al-Māl*

Baitul Mall is the pioneer of financial institutions namely banks. The practice is to collect and distribute property to those who reserve the right. Umar ibn Khatab was the second Rashidin Caliph after Abu Bakr. Umar also still run baitul mall, a system that was formed in the time of the Rasulullah to Abu Bakr. The institution plays an important role in state finance. In collecting, funds collected from zakat and donations. And then distributed to people who are entitled to it at once for the benefit of the country. Furthermore, in the realm of maximizing the institution, Umar has made extraordinary breakthroughs, for example in the payroll of civil servants, salaries of Islamic government soldiers, retirees and in other roles.

In government, the biggest contribution is to form satisfactory administrative tools for running a huge government. During his tenure, Umar established an administrative institution that almost impossible to be done in the seventh century BC. Baitul Maal indirectly served as implementing State Islamic fiscal policy and the Caliph are in full control of these funds, but he is not allowed to use it for personal expenses. He does not take material advantage which usually is done in the position as a government nowadays. Islam has put in place a special system to finance its expansion mission of the Islamic region, which is surrendering oneself and property for the sake of *jihad fisabilillah*. When the *ganimah* are permitted for fighters, thus the capital for the missions to expand the region is not merely from Baitul Maal. The role of Baitul Maal is not only to finance the war, but most importantly is self-service and wealth. Baitul Maal property is considered a “treasure of the Muslims”, whereas The Caliph and his followers only hold the trust. Thus, it is the responsibility of the state to provide benefits which is sustainable for

widows, orphans, abandoned children; finance burial of the poor, paying the debts of bankrupt people, paying *diyat* for certain cases (such as paying *diyat* Shebani soldiers who killed a Christian to save his life) and to provide loans without interest for commercial matters (such as paying Hind, Bint, Ataba, and others). Umar even borrowed some money for his personal needs. It is dissimilar to what is applied in Indonesia. Baitul Mall is not used as a funding pioneer but instead is marginalized. The presence of the Micro and Small Business (UMK) sector is one of the facts of the entrepreneurial spirit in the community. Recognizing this reality, focusing on the development of the people's economy through UKM is a very strategic and reasonable thing to realize economic equality and poverty alleviation. But one of the obstacles to the development of this UKM is financing. Financing to micro-entrepreneurs has always been constrained by the issue of small outstanding funding and because of that, the high operational costs of financing have made banks reluctant to provide financing. Banking requirements that require collateral. The existence of those obstacles that inspired the presence of BMT.

6. The Earned Income of The Head of Government

During his reign, Umar got a salary from the Baitul Maal which the amount of that is not determined. Umar is a trader who manages his trading profession to fulfill his daily needs and to support his children from the proceeds of his trade. Then Umar gathered his companions to ask for their opinion about the trade that must be abandoned for the sake of concentration to take care and solve the problems of the people. Finally, in the deliberations, it was decided that Umar ibn Khatab was entitled to receive an adequate salary for his needs and the needs of his family of sixty dirhams taken from Baitul Maal, namely from the treasures of *fai'*. Umar said to his companions, "at first I was a trader, then you busy my days with your business and then you think that I permitted to utilize this treasure". Umar already felt that he had enough to get such a salary, and did not ask for additional income to meet the needs of his family, even though Umar was the Head of State in charge of taking care of all the assets in Baitul Maal.

This condition is different from what happened in Indonesia. The financial position of the President, Vice President, and Officers who carry out the work of the President's position. At this time specified in Law No. 11 of 1959. The financial position is now deemed necessary to be changed and improved and adjusted to the development of the situation at this time where the Civil Servants and Police officials have also improved in terms of financial position

(Government Regulation No. 200/1961 and Government Regulation No. 202/1961), so that the impact between the financial position of the President, Vice President and Officials of the President with Civil Servants and the said State officials are no longer appropriate, in addition, the provisions regarding The financial position of the President, Vice President, and Official President is still based on the 1950 Provisional Constitution which is no longer valid. Under the authority of the 1945 Constitution, the intended financial position is not required to be determined by law, as has also happened with the financial position of the Chairperson, Deputy Chairperson and Members of the MPRS, which according to Presidential Decree No. 2 of 1959 also stipulated by Government Regulation namely Government Regulation No. 40 of 1960. In connection with that, the provisions regarding the financial position of the President, Vice President, and Official President are now also stipulated by Government Regulation. With the enactment of the provisions in this Government Regulation, the provisions in Law No. 11 of 1959 will no longer be treated and must be considered invalid.

7. The Earned Income of The Civil Servant

Before the leadership of Umar, civil servants did not have a fixed salary. However, according to the conditions and situation at that time, the Umar Bin Khatab era began to determine the number of employee salaries, namely the existence of rules or laws that require the stipulation of employee salaries. Every employee has the rights and obligations that must be carried out to help the work of the state, in order to support employee activities as well as to increase productivity, indeed there are efforts to increase the rights they obtain so that the work performed is more optimal and occur according to expectation, and in accordance with the rewards, they get. A Salary is a reward or award for someone's work. Every employee and his family must be able to live properly from his salary. Thus, he can focus on his activities to carry out the tasks entrusted to him. Salary can only be said to be feasible if it is sufficient to meet the minimum needs. The minimum need means the amount of money or other income that should be received by a civil servant so that he can live properly with his family by fulfilling the attiring, food, housing, child education, recreation, health maintenance, and others. Therefore, it will be required for detail and transparent payroll system for the realization of qualified and prosperous employees. Whereas in Indonesia, salaries given to employees are determined in accordance with applicable laws and regulations, as in article 1 number 1 of Law Number 43 of 1999 it is stated

that civil servants are every citizen of the Republic of Indonesia who has been paid based on statutory regulations applicable. Like the Government Regulation of the Republic of Indonesia Number 9 of 2007 concerning the Ninth Amendment to Government Regulation Number 7 of 1977 concerning the Regulation of the Salary of Civil Servants. Civil Servants, hereinafter abbreviated as Civil Servants (PNS/ ASN) are Indonesian citizens who fulfill certain requirements, are appointed as State Civil Servants (ASN) permanently by civil servant development officials to occupy government positions (The Republic of Indonesia, Law Number 5 of 2014 concerning State Civil Apparatus, Article, 1 of 2014. In general provisions Article 1 of Law Number 5 Year 2014 concerning State Civil Apparatus (2014) also regulates ASN management, namely the management of ASN to produce professional ASN Employees, having basic values, professional ethics, free from political intervention, free from corrupt practices, collusion, and nepotism. The integrated ASN management system starts from planning, recruitment, career development, payroll, to dismissal/ retirement based on competency and performance HR management. To operationalize the ASN management system, a policy on salaries, allowance, and facilities that meet the fair and proper elements is required and guarantees the welfare of civil servants (The Republic of Indonesia, Law Number 5 of 2014 concerning State Civil Apparatus, Article, 79 paragraph 1 the year 2014. The implementation of fair principle and equal value of salaries received by employees with workload, responsibilities, and work risks is put forward along with transparency, increased performance, equal opportunities, and non-discriminatory principles to stimulate the desire to work well. This is in line with research conducted by Heywooddan Wei (2006) and McCausland, Pouliakas, and Theodossiou (2005), they show that the ability of management to implement salary features based on performance will have a positive influence on work attitudes and behavior, especially job satisfaction. In the current era of global competition, the salary paradigm is shifting where the level of fluctuations and salary structure is determined based on the level of performance, skills, knowledge and/ or competence shown by each employee so that the salary system applied is able to support the strategy and objectives of the organization (Lee, Law, and Bobko, 1999). Perceptions regarding the differences in the level of fluctuations and salary structure, according to Colquitt (2001) and Shields, Scott, Bishop, and Goelzer (2012), have a negative influence on employee perceptions regarding salary fairness. This is because giving different salaries to

employees with the same position and workload will be considered unfair or unequal, and vice versa, employees with the same position and workload will feel treated fairly if the salary structure they receive is the same. In another study conducted by Fapohunda (2012) shows that perceptions of salary differences can affect employee job satisfaction (Fapohunda, 2012), where satisfaction arises when the salary received is equal or comparable to others in the same category of work, but if lower salary, then they will feel treated unfairly and arise dissatisfaction with their work.

8. Salary of The Army

In the era of Umar Bin Khattab there was an expansion of the territory, so the amount of *fa'i* property gained was huge, but the number of troops also did not decrease. Then Umar agreed to the proposal from the companions to form a special institution to record the resources they had, as well as to record the persons entitled to it and how much they should receive. In their history, they said, "Do not do it, dear believers. Because of the fact that people converting to Islam are increasing and the wealth we have are also plentiful. Then, give them a piece according to the written record. Every time the number of Muslims increases and the amount of wealth we have, then give them their share. "The next sequence are the Muslim army", Umar divides them into several levels. As Umar said: "I will not make the ranks of those who fought against the Prophet the same as those who fought with him." The levels are as follows: 1. The *Badr* companions were the Muslims in the Badr war in defense of the Islamic flag. Each one *muhajirin* five thousand to six thousand dirhams a year, and *Anshor* produces four thousand dirhams annually. 2. The Muhajirin companions who joined the Battle of *Badr* but followed the subsequent wars of four thousand dirhams. 3. The Anshors who joined the Battle of Badr and followed the wars thereafter. This level of salary is three thousand dirhams. 4. Those who entered into the covenant of *Hudaibiyah*, participated in the conquest of the City of Mecca, and other wars until the battle of *Qadishiah* and *Yarmuk*, received two thousand dirhams. 5. Those who took part in the conquest of *Qadasiyah* and *Yarmurk*, received a salary of one thousand five hundred dirhams.

Umar also adopted a policy of providing allowance besides salary, among others: 1. Allowance for his wife, Umar set a family that participates in the war approximately one-tenth and distributes the *fai'* treasure where everyone would get half a dinar if alone and get one dinar

if together his wife. 2. The allowance for children, whether nursing or non-nursing to receive a one hundred dollar allowance by year 3. and allowance of groceries, in this case, Umar asks for the opinion of Ibn Qathura. Then Ibn took *madyu* (a kind of weights) and measures, for each month he needed two *madyu* of wheat. Then Umar ordered the two wheat to be given to each person to be baked and cooked into bread, and then the food was two cups of cooking oil for thirty people. And if the soldier dies after some time has passed, his remuneration will be given to his heirs and the rest to be transferred to Baitul Maal. And at that time there is a man who died after eight months, Umar gave two-thirds of his salary to his heirs. In practice Umar does not distinguish between Arabs and non-Arabs, they get the same treatment from Umar's policy on the distribution of fai' property. A group of people came to Abu Musa al-Asari and he paid salaries of Arabs and left non-Arabs behind. Then Umar sent him a letter containing: "Do you not share their rights in the same amount? And it became a crime, one who insulted his Muslim brother." Then Umar also did not pay salaries to villagers and other servants who not participated the war.

The security of Umar Bin Khattab's government also took place in Indonesia. The concept of national resilience comprises of tenacity which includes the ability to develop national strength in facing and overcome all challenges, threats, obstacles, and interruptions both from the external as well as internal of the state and to guarantee the identity, integrity, survival of the nation and the State, and struggle achieve national goals. National Resilience is a doctrine that is believed to be true by all Indonesians and is the best way to continue to be implemented in order to build the conditions for national life to be created, nationalist vision and national resilience as a conceptual foundation, which Pancasila describes as the ideal foundation and the Constitution as a constitutional foundation of the national development paradigm. The essence of National Resilience and the Concept of Indonesia's National Resilience is the resilience of the nation with the ability to develop national strength to ensure the survival of the nation in achieving national goals.

The Excellence of The Economy in The Era of Umar bin Khattab

During Umar's leadership of the Islamic State at that time, he was involved in various economic activities and always accentuate the *mashlahah*. In attaining it, he always maximized the *mashlahah* and not just satisfaction. So the *masahah* can reach the purpose of worship, which

is *fallah*. On the other hand, the Islamic economy will go towards the well-being of the Muslim community in particular, and the Islamic nation in general. According to Rahmawati, the planning of the Islamic economy in general as well as the planning of other fields is to realize the expectations and targets in a given period of time according to the circumstances and conditions. Umar's economic policies, based solely on *maslahah* the context of the time. this is allowed as long as not contrary to Islamic law, the Qur'an and the Sunnah. In addition, Umar also asked for the opinions of other companions when faced with problems that required the opinion of them. Seeing Umar's thoughts is beyond doubt, which is justified by Allah as some verses are included in the Qur'an. Umar's thinking was one step further in the economy of that era. One of the development is in the economic areas, for example, the payroll issue. The policy on the salaries of the heads of state and the army is something new. Because in the days of the Rasulullah and Abu Bakr never set the salary to the Head of State and the Army. This is a sign that the Islamic economy in the period of Umar was advanced. Although the condition of the Islamic State at that time is still simple and different from the current state. But in Umar's economy, the Islamic state can be said to be more advanced in its time.

As the region expanded rapidly, and after the Caliph Umar set up the administration of the country by imitating the administration that had grown especially in Persia. At this time also began to be organized and regulated the system of payment of wages and land taxes. Courts are set up in order to separate the judiciary from the *executive*. To maintain security and discipline, a police department was formed. Similarly the public works department. Umar also establishes Baitul Maal, produce the currency, and enact the year of pilgrimage as well as abolishing the zakat for *Muallaf*.

There are several trends and types of Umar's supremacy in leading Medina city during his reign. Umar loves the city of Medina and its people, such as:

1. Opposing the extravagance

Umar bin Khatab heard that one of his sons bought a ring worth a thousand dirhams. Umar immediately wrote a letter of reprimand to him with the following words: "I heard that you bought a diamond ring at a price of a thousand dirhams. If that is true, then you should immediately sell the ring and use the cash to satisfy a thousand hungry people, then make a

ring of iron and engrave it with the words, "May Allah bless those who recognize their true identity."

2. The Caliph borrow the funds

One day, Umar bin Khatab requires cash for personal needs. Umar contacted Abdurrahman bin 'Awf, a friend who was classified as rich, to borrow 400 dirhams. Abdurrahman asked, "why did you borrow from me? Is not the Baitul Maal (state treasury) key in your hands? why do not you borrow from there?" Umar replied, I do not want to borrow from Baitul Maal. I was afraid that when death took me away, you and all the Muslims would accuse me of being a Baitul Maal money user. And if that happens, in the afterlife my virtue will be reduced. Whereas if I borrow from you, if I die before I pay it off, you can collect my debt from my heir."

Umar's economic policy was based solely on the *maslahah* in the context of the society at that time. This is as long as it does not conflict with Islamic law, namely the Qur'an and Sunnah. In addition, Umar also asked the opinions of other companions when faced a problem that requires the opinion of friends. Seeing the thought of Umar is undoubtedly by God, which is justified by Allah as some verses are contained in the Koran. Umar's thinking was one step further in terms of the economy of that era. One of the advances in the economic field, for example, is the problem of payroll. The policy regarding the salaries of heads of state and soldiers is a new thing. Because in the days of the Rasulullah and Abu Bakr had never made a payroll to the Head of State and the Army. This is a sign which shows that the Islamic economy at the time of Umar was more advanced. Although the conditions at that time the Islamic State was still simple and very different from the current conditions. But the era of Umar's economy of the Islamic State can be called more advanced in his day.

CONCLUSION

Umar Bin Khattab's fiscal policy contains the principle of benefit. Handling problems, which also includes economic issues. A country requires a reliable figure, a figure that is able to combine theoretical knowledge and practical experience of state assets reviewed in fiscal policy. Umar was also a role model leader. Because many leaders today who take fiscal policy do not have a tendency to serve the benefit of the people. Instead, it enriches himself and his colleagues.

During Umar's reign, there were almost no fiscal issues that could not be resolved. Umar always has the ability to overcome any problems that arise. Even though the problem was very difficult, Umar always had high enthusiasm and an effective strategy to overcome it. So that these issues will become problems that are easy as if commonly faced in his life.

At the period of Umar Bin Khattab, Umar adopted a different policy from his predecessor in managing state finances. The policy taken is not to consume all state revenues at once, but in stages according to needs, some of which is used for reserve funds. To manage the funds effectively, Umar built the Baitul Maal and developed it into a permanent institution, and established Baitul Maal branches in each region. Baitul Maal is under a treasurer whose authority is outside the executive authority.

In the perspective of Umar, the giving of the zakat portion to the converts was initially carried out because they saw that at the time, namely the mental condition of the converts who were still vulnerable to be able to return to do no good to the Islamic group, which at that time was also still in a weak condition. Therefore, this group needs to be given. However, according to Umar, when the condition of the Muslims was able to be independent and in a very strong condition, then the gift was not necessary and this was done as part of the political strategy that was applied to strengthen the Islamic government at that time.

Umar's economic policy was based solely on the *maslahah* in the context of the society at that time. this is as long as it does not conflict with Islamic law, namely the Qur'an and Sunnah. In addition, Umar also asked the opinions of other companions when faced a problem that requires the opinion of a colleague. Seeing the thought of Umar is undoubtedly by God, which is justified by Allah as some verses are contained in the Koran. Umar's thinking was one step further in terms of the economy of that era. One of the advances in the economic field, for example, is the problem of payroll. The policy regarding the salaries of heads of state and soldiers is a new thing. Because in the days of the Rasulullah and Abu Bakr had never made a payroll to the Head of State and the Army. This is a sign that shows that Islamic fiscal policy in the era of Umar was more advanced.

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