

# The impact of minority extremism on Islamic economics in multicultural Indonesia

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## Abstract

Indonesia, characterized by its rich cultural diversity, faces significant challenges from transnational extremist movements that threaten its harmonious coexistence. This study investigates the impact of minority extremism within a multicultural society on the development and implementation of Islamic economics in Indonesia. Using qualitative methods, the research collects descriptive data through observations and secondary sources, including documents, journals, and previous studies. Findings reveal that minority extremism disrupts the objectives of Islamic economics, which aims to balance material prosperity with spiritual well-being. Extremist ideologies, often lacking nationalism and intolerant of non-Islamic elements, hinder Indonesia's goal to become a leading center of Islamic economics by 2024. These movements undermine national unity and pose significant challenges to achieving the economic, social, and spiritual goals outlined in the *maqāṣid* sharia. The study underscores the critical need for fostering tolerance and inclusivity to protect and promote Islamic economics in a multicultural society. Addressing the ideological roots of extremism is essential for safeguarding Indonesia's diverse and harmonious societal fabric. This research contributes to policy discussions on strengthening the resilience of Islamic economic frameworks against extremist threats, emphasizing the importance of maintaining unity and promoting inclusive growth.

**Keywords:** minority extremism; multicultural societies; Islamic economics; *maqāṣid* sharia; national unit.

## Introduction

Indonesia is a country characterized by its rich plurality, which is a hallmark of the nation's identity. This plurality manifests in various forms, including religion, culture, regional languages, race, and ethnicity, as well as diverse economic conditions. As a pluralistic society, Indonesia has successfully maintained its unity, which is enshrined in the ideology of Pancasila (Alwi, 2020). Pancasila unites the Indonesian people under the motto "Bhinneka

Tunggal Ika” (Unity in Diversity), serving as the main ideology that fosters relationships and a common will amidst existing differences (Karmini, Dyatmikawati, Suasthi, Wardhani, & Pradana, 2020).

The founding fathers of Indonesia envisioned unity that transcended sectarian or identity-based interests. Differences and distances between territorial islands are no longer seen as divisions but rather as diverse parts of a united whole. Since the founding of Indonesia, this ideology of togetherness has been a legacy that needs to be maintained and nurtured by the next generation of Indonesians. However, various challenges have arisen in recent times that question this unity (Botma & Abdullah, 2022)

The growth of inclusivism has narrowed the space for togetherness. One of the most complicated issues facing Indonesia today is the matter of religious identity. Discrimination against minority groups has become evident, highlighting the challenges of maintaining unity amidst diversity (Nurhayati & Agustina, 2020). The wealth of diversity in Indonesia is like a double-edged sword; if not managed wisely, it can lead to destruction, but if handled properly, it can be a unique strength of the nation.

The existence of diversity can have both positive and negative impacts. The negative impacts often include increased intolerance and conflict. Historical conflicts such as those between the Dayak and Madurese tribes in Sampit, Central Kalimantan, the Poso conflict (1998-2001), the Talikora riots in Papua (2015), and the freezing of churches in Aceh Singkil (2015) are examples of the destructive potential of unmanaged diversity. Additionally, political events like the PILKADA in Jakarta and cases of intolerance in schools further illustrate the challenges (Muthia, 2013).

Despite these challenges, the attitude of tolerance is deeply embedded in the psychology of the Indonesian people. Transnational extremist movements, however, represent a significant threat. These movements are a manifestation of flawed religious thinking that ultimately harms the religion from within. Over the past two decades, several bombing incidents in Indonesia have been carried out by certain Islamic groups. Their approach to religion lacks the nationalism and patriotism characteristic of Indonesia; they believe that anything not deemed "Islamic" deserves to be eradicated. Nevertheless, extremist movements in Indonesia have flourished significantly, akin to the proverb “one lost, a

thousand grow” and “cut off, grow back, disappear, and be replaced” (Izad, 2018)

Crackdowns on extremist movements do not necessarily eradicate them; they often reappear unexpectedly. The government's efforts to trace the new embryos of extremism are frequently inadequate. It is crucial to understand that extremism is not merely an act of violence in the name of religion carried out by certain groups or actors. Extremism is an ideological movement, a form of belief in divine reasoning projected to change all orders to align with what they perceive as God's will (Fajrussalam, Ruswandi, & Erihadiana, 2020).

As an ideology, extremism can be seen as a system that claims divine origin. This means that positive law, secularism, democracy, and modernism—which have emerged from human history and reached their peak in contemporary times—are seen by extremists as violations of divine nature. Therefore, the ideological system of the extremist movement is challenging to eradicate (Jamaluddin, 2022).

Islamic economics is built on religious principles, oriented towards the world and the hereafter (Anwar, 2020). In Islamic economics, decision-making prioritizes not only individual benefits but also encourages community economic activities. Islamic economics introduces four main objectives based on *maqāsid* sharia, namely: (1) ensuring basic human needs, (2) increasing human capabilities and dignity, (3) ensuring the sustainability of human life in the long term, and (4) fostering and ensuring spirituality. This implies that all policies taken from an Islamic economic perspective must aim to maintain and develop these four aspects. Therefore, the measure of the development of Islamic economics ideally includes not only financial parameters but also the general benefit, spirituality, well-being, and the fulfillment of basic human needs.

This study examines the impact of minority extremism in a multicultural society on Islamic Economics in Indonesia. Given the significant threat posed by extremist ideologies to national unity and economic development, it is crucial to explore how these movements affect the broader goals of Islamic economics. Understanding the relationship between extremism and Islamic

economic principles can provide insights into safeguarding and promoting inclusive economic growth in Indonesia.

## **Literature review**

### **JIEMB | 128** Extremism

Extremism refers to a set of ideas or strong beliefs that surpass reasonable limits, often leading to unlawful actions. The term "extremism" was first used in 1865. It can be understood as a doctrine imposed upon oneself or others, encompassing political or religious indoctrination. To achieve its goals, extremism employs various methods, which can be quite dangerous. It manifests in forms of fanaticism or violent movements (Nurhayati & Agustina, 2020).

Extremism is characterized by several identifiable traits. Firstly, extremists often feel threatened or disturbed by their existence. They are convinced that their beliefs are absolutely right and will go to great lengths to defend them. This insecurity stems from the fear that any element of doubt from others could negate their principles and existence. Both extremism, fanaticism, and obscurantism arise from a lack of security. Therefore, a person who feels secure in their existence and beliefs will not typically become an extremist (Fajrussalam et al., 2020)

Secondly, extremists think that their views are the only ones that hold absolute truth. This insecurity drives them to claim that their beliefs are not only correct but superior to others. Thirdly, extremists may harm anyone who threatens their existence. In its most extreme form, extremism will silence, and even kill, those who challenge it, to prevent the revelation of its fragile position.

Fourthly, extremists seek to impose their views on the state. They are convinced of the truth of their beliefs and sometimes ruthlessly eradicate those who do not share their views. Extremists believe that what they are doing is right, even if it means taking lives. The main goal of extremism is to align and unify the views of all human beings, especially the state, based on their perceived correct views (Moeis, 2008).

Fifthly, extremists attack anyone who disagrees with their point of view. The hallmark of an extremist is the language often used to attack those who hold different views, particularly blaming others for all the problems that occur. An extremist cannot see people who

disagree as fellow human beings. They will take any action against those who threaten their beliefs or essential needs, desires, and hopes (Nurjanah & Setiawan, 2020).

Sixthly, extremists ignore external truths. They believe that their principles and understandings are the most correct. Everything that contradicts their teachings is considered wrong and must be eliminated. Factually, they reject any truth that comes from outside their teachings, which eliminates the value of tolerance they should possess.

Seventhly, extremists are only open to their peers. Their lack of trust in other teachings and understandings causes them to have a closed character. Extremists only trust and are open to people who are members of their group (Botma & Abdullah, 2022). Lastly, extremists have a closed network both at home and abroad. They usually do not only operate in one country. Many extremists are located in various countries and are organized in a closed manner. Through networks in various countries, they expand membership and raise funds for the sustainability of their group (Susanti, 2022).

Several factors contribute to the development of extremism. One significant factor is propaganda through the internet. Extremists use the internet and social media to issue propaganda statements, coordinate training (including combat training), organize travel to protests and other events, raise funds, recruit members, and communicate with others. The internet and social media provide unparalleled opportunities to reach a wider audience, thus expanding the network of extremism. This reach includes not only adults but also teenagers who frequently use the internet (Mahfud, 2022).

Another factor is the exchange of views with peers abroad. Extremists increasingly travel abroad to meet and exchange views with like-minded individuals. These foreign connections provide extremist groups in different countries with opportunities to improve their tactics. They seek to develop better counter-intelligence techniques, aiming to harden their extremist views and expand their global network in pursuit of broader influence (Izad, 2018).

Understanding extremism, its characteristics, and the factors contributing to its growth is crucial for developing effective strategies to counter it. Extremism poses a significant threat to societal harmony and national security. By recognizing its traits and

addressing the underlying insecurities and methods used by extremists, we can better prepare to combat its spread and mitigate its impact on global and local scales.

### Minorities

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Minorities are social groups that do not constitute the majority of the total population in a given society, especially in terms of political dominance. Membership in minority groups is typically based on differences in observable characteristics or practices, such as ethnicity (ethnic minorities), race (racial minorities), religion (religious minorities), sexual orientation (sexual minorities), or disability. Utilizing the intersectionality framework, it is important to recognize that an individual can simultaneously hold membership in multiple minority groups, such as being both a racial and a religious minority. Likewise, individuals can also be part of a minority group in some characteristics while belonging to a dominant group in others (Al Husaini, Rosyada, Abd Wahab, Nurhayati, & Nur Afifah, 2022).

The term “minority group” is often used in conjunction with the discourse on human rights and collective rights that emerged in the 20th century. It is also frequently associated with the concept of “the other,” a term that arises from the majority’s stigmatization and objectification of those who are different. Budi Hardiman, in his work *Mass, Terror, and Trauma*, views “the others” as socially marginalized groups, such as minorities and homosexuals. In the context of religion and belief, “the others” are constructed as those who belong to non-majority religions, such as Christians in a predominantly Muslim environment, or as those who practice majority religions but come from different backgrounds, such as Ahmadiyya or Liberal Islam (Arif, 2014).

This perspective highlights the complexity and layered nature of minority identities and the significance of understanding these dynamics within the broader framework of social and political structures. The recognition and protection of minority rights are crucial for fostering inclusive and equitable societies.

### Multicultural

Multiculturalism is an ideology that promotes the unity of various cultural groups, ensuring equal socio-political rights and status in modern society. It often describes the coexistence of

different ethnic communities within a country, recognizing the reality of cultural diversity, which includes traditional diversity and diverse life forms or subcultures (Nurish, 2019). Traditional diversity encompasses ethnicity, race, and religion, while the diversity of life forms refers to the various stages of community life history beyond traditional differences. Multiculturalism is a worldview that translates into cultural policies emphasizing the acceptance of religious and cultural plurality inherent in community life. Therefore, a multicultural society consists of various communities and cultures, each with unique strengths (Karmini et al., 2020).

The concept of multiculturalism contrasts sharply with monoculturalism and assimilation, norms in the nation-state paradigm since the early 19th century. Monoculturalism calls for normative cultural unity, sometimes described as pre-existing homogeneity. Assimilation seeks unity among different cultures by reducing differences to create a new, blended culture (Abdin, 2020). Multiculturalism emerged as an official policy in English-speaking countries, starting in Africa in 1999, and was later adopted by most European Union members as official policy and social consensus among elites. However, recent years have seen a policy shift in several European countries, notably the UK and France, moving away from multiculturalism. This policy shift has sparked debates in the United Kingdom, Germany, and other countries (Helmiati, 2019).

Multiculturalism manifests in various forms, each representing different levels of cultural interaction and integration. Isolationist multiculturalism refers to societies where cultural groups live autonomously with minimal interaction (Maruwae & Ardiansyah, 2020). Accommodative multiculturalism describes a society with a dominant culture that adjusts to the cultural needs of minorities, allowing them the freedom to maintain and develop their cultures. Autonomous multiculturalism is characterized by plural societies where major cultural groups strive for equality with the dominant culture and seek a collectively acceptable autonomous life (Gunawan & Rante, 2011). Critical or interactive multiculturalism involves plural societies where cultural groups are not focused on autonomous cultural life but assert their distinctive perspectives. Lastly, cosmopolitan multiculturalism aims to erase cultural boundaries to create a society where individuals are no longer tied to a particular culture (Zainiyati, 2014).

These various types of multiculturalism illustrate the complexity and dynamism of cultural integration in societies. Each type represents a different approach to managing cultural diversity, highlighting the challenges and opportunities in creating inclusive communities. The acceptance and promotion of multiculturalism are crucial for fostering harmony and understanding among diverse groups, ensuring that all individuals have equal opportunities and rights regardless of their cultural background. This comprehensive approach to multiculturalism not only enhances social cohesion but also enriches the cultural fabric of society, making it more resilient and adaptable to change.

### **Islamic economics**

Islamic economics is a science that studies human economic behavior based on Islamic religious rules, incorporating the principles found in the pillars of faith and the pillars of Islam. The implementation of Islamic economics always adheres to the fundamental tenets of Islam (Sarpini, 2019). It is a way of controlling economic sciences by utilizing the basic principles of Islam, applied in everyday life. This approach is oriented towards the benefit of both the world and the hereafter. In decision-making, Islamic economics relies on sources such as the Qur'an, Hadith, Ijma' Ulama, and Qiyas, which serve as the main guidelines (Sarpini, 2019).

Recognizing an economy as Islamic requires understanding its unique characteristics. These features facilitate the identification of which economic practices align with Islamic principles (Nurlaeli & Sarpini, 2022). Among these characteristics are unity, which prioritizes harmony among people and ensures that economic activities do not harm or hurt anyone; balance, which maintains equilibrium between worldly interests and those of the hereafter; freedom, which allows individuals to engage in activities within the ethical boundaries set by Islamic teachings; and responsibility, which emphasizes that individuals must complete their tasks based on their capabilities (Santoso, 2016).

Islamic economics is grounded in several fundamental principles that guide decision-making processes to ensure the preservation of its true essence (Ibrohim, Widodo, Wahyuni, Zulianto, & Kantun, 2021). These principles include the belief that humans are merely stewards of what comes from Allah; recognition



of private ownership within predetermined limits; the strength of cooperation in economic activities; rejection of wealth accumulation by a few individuals; a sense of accountability to Allah and belief in the Last Day; the obligation of those with sufficient wealth to pay *zakāt*, and the prohibition of usury in any form (Widiyanto, Lindiyatmi, & Yulianto, 2022).

The main purpose of implementing Islamic economics is to achieve success in both the world and the hereafter. The primary objectives include ensuring survival, which involves conducting economic activities to maintain existence; and serving as a means of worship, where economic activities are carried out with the intention of worshiping Allah to seek His pleasure. The ultimate goal is to attain the blessings of Allah, which can make one's income a source of blessed sustenance (Anwar, 2020; Supriadi & Zuhri, 2022).

The integration of these principles and objectives ensures that Islamic economics is not just a financial system but a comprehensive framework that encompasses moral and ethical considerations. It aims to create a balanced and just economic environment that fosters cooperation, equity, and responsibility. By adhering to these principles, Islamic economics seeks to provide a sustainable and inclusive model that benefits all members of society, aligning economic practices with spiritual values and promoting overall well-being.

## **Research methods**

This research employs qualitative methods to generate descriptive data from written or spoken words of observed individuals. Kirkl and Miller, as cited in Moleong, define qualitative research as a tradition in social science that fundamentally relies on observations of humans within their natural environments and in their terms. Similarly, Bogdan and Taylor describe the qualitative research method as a procedure that produces descriptive data, consisting of written or spoken words from people and observed behaviors (Neuman, 2014).

The research adopts a descriptive qualitative approach. The focus in qualitative research is determined by the significance, urgency, and feasibility of addressing the problem, as well as the constraints of resources, including energy, funds, and time. This

study concentrates on analyzing the impact of minority extremism in a multicultural society on Islamic economics in Indonesia (Creswell, 2014).

According to Lofland in Lexy J. Moleong, the primary data sources in qualitative research are words, supplemented by additional data such as documents and other materials. In this context, data types are categorized into words and actions, written data sources, photographs, and statistics. The data source utilized in this research is secondary data (Creswell, 2012).

Secondary data serves as complementary information that enhances the primary data. It includes additional materials from written sources such as books, scientific journals, archives, personal documents, and official documents (Neuman, 2014). In this research, secondary data encompasses documents, journals, articles, and photographs relevant to the topic or focus of the study. Additionally, literature books and previous research documents, including past research findings, are utilized to support the analysis.

The use of secondary data in this study is crucial as it provides a comprehensive understanding of the topic by incorporating various sources of information. This methodological approach ensures that the research is grounded in a wide range of perspectives and data, enhancing the robustness and depth of the analysis. By synthesizing information from multiple sources, the study aims to offer a detailed and nuanced examination of the impact of minority extremism on Islamic economics within a multicultural Indonesian context.

## **Results and discussion**

Indonesian society is characterized by its complex diversity, known as a multicultural society. This concept encompasses a group of people who have lived and worked together long enough to organize themselves and think of themselves as a social unit with specific boundaries. When this societal concept is combined with multiculturalism, it gains a broad meaning that requires deep understanding to grasp fully what a multicultural society entails (Mujiburrahman, 2013).

Etymologically, “multicultural” is derived from “multi,” meaning many or diverse, and “cultural,” referring to culture. Cultural diversity signifies the existence of several types of cultures with

unique characteristics, distinguishing them from one another. The ideology or understanding of multiculturalism is essentially a worldview that can be translated into various cultural policies emphasizing the acceptance of religious, pluralistic, and multicultural realities present in people's lives (Supriono, 2016).

Indonesia is not only multicultural but also multi-ethnic and multi-religious. Multiculturalism serves as a societal or governmental response to cultural diversity issues. It becomes an ideology to legitimize ethnic diversity's inclusion in society's general structure, including politics. Multiculturalism is also a public policy option to foster national unity in diversity. A multicultural society consists of various elements such as ethnicity, race, religion, education, economy, politics, and language. These elements exist within one group of people under one government, but the society has segments that are challenging to unite (Fatoni, Ghozali, Jamal, & Wibowo, 2022).

This diversity raises significant questions and has the potential to be divisive. Minorities and majorities increasingly clash on various issues such as language rights, regional autonomy, political representation, education curricula, land claims, immigration and naturalization policies, and even national symbols like the national anthem or holidays (Suhaemah, 2021).

Given Indonesia's diversity, conflicts are inevitable. Parsudi Suparlan noted two groups: dominant and minority groups. However, understanding why minorities face discrimination is complex, as population size does not necessarily equate to power. Joel A. Digirolamo posits that conflict arises when individuals or groups encounter differences and disputes over interests, resources, beliefs, and values (Jackson, 2016).

Indonesia's multicultural nature is encapsulated in the national motto, *Bhineka Tunggal Ika*, meaning unity in diversity. This phrase signifies the national unity of various human groups with distinct differences, making Indonesia a multinational and polyethnic country. However, challenges faced by multiculturalism in Indonesia are often marked by discriminatory actions against specific groups due to unresolved ethnocentrism (Daniels, 2016).

Conflicts in multicultural societies often stem from prejudice and discrimination. Discrimination is common due to the human tendency to differentiate. This occurs when individuals are treated

unfairly based on characteristics like ethnicity, intergroup dynamics, gender, race, religion, political affiliation, physical condition, or other perceived differences. Social prejudice arises from feelings of being different and can be fueled by hatred between individuals or groups, such as majority and minority groups (Abuza, 2006).

Communication plays a crucial role in the social learning process, where much knowledge about other groups is obtained from media sources like television, radio, and video. A minority in this context refers to any small group making up less than 50% of the population in a given area (Tahir, 2018).

Minority status is generally attributed to small groups distinctly different from larger groups. These differences may include racial identity, ethnicity, culture, language, religion, political views, and social orientation. The issue of minorities often triggers controversy, impeding efforts to uphold human rights (Nurjanah & Setiawan, 2020).

The Indonesian National Commission on Human Rights (Komnas HAM) highlights that Indonesian society is generally unfamiliar with minority groups. Anything deviating from the mainstream is often perceived as foreign, abnormal, or wrong. From a human rights perspective, minority groups hold equal status with other individual rights holders. However, since minority groups are often subordinated, special rights are necessary to elevate their dignity. These special rights are not privileges but are intended to help minority groups maintain their distinct identities, characteristics, and traditions, thus achieving equal treatment without discrimination (Appleby, 2000).

The Indonesian National Commission on Human Rights delineates the scope of minority groups in Indonesia as follows (Meer, 2010):

1. Racial minority groups: These include Chinese, ethnic-religious groups like Sikhs, Jews, Taoists, and groups referred to in the Papua Special Autonomy Law as indigenous people of Papua (Bromley & Melton, 2004).
2. Ethnic minority groups: Ethnicity is understood as classifying humans based on beliefs, values, habits, customs, language norms, history, geography, and kinship relations. Language is a critical element distinguishing one ethnicity from another, underscoring the high level of diversity in Indonesian society.

3. Religious minority groups and beliefs: The state prioritizes six religions mentioned in Law Number 1/PNS. The MPR Decree No. IV/MPR/1978 emphasizes that "the flow of belief in God the Almighty does not constitute a religion," which is discriminatory against groups whose beliefs are not recognized as religions (Farrar, Robinson, Valli, & Wetherl, 2012).
4. People with disabilities: This category includes those with physical, mental, intellectual, or sensory impairments that may hinder their full and effective participation in society based on equality.
5. Minority groups based on gender identity and sexual orientation: Lesbian, Gay, Bisexual, Transgender, and Intersexual (LGBT) individuals often face discrimination and violence because they are considered "deviant" (Al-Rasheed & Shterin, 2009).

Despite various development programs, minority rights fulfillment remains inadequate. Studies have shown that the most vulnerable and impoverished groups often come from ethnic and religious minorities (Macey, 2009). Democracy alone does not guarantee the protection of minority rights. Democratic processes in many countries show that minority rights remain neglected, even though democracy has been practiced, indicating minority interests often remain unrepresented (Kolig & Voyce, 2016).

This research defines minority extremism as attitudes and actions advocating, engaging in, preparing for, or supporting ideologically motivated and justified acts of violence to achieve religious, social, economic, and political goals (Suardi, 2017). This definition emphasizes the core elements of violent extremism, including violence itself, the use of violence, or support for violence. This clear delineation of elements raises further questions, such as distinguishing between people or groups who fundamentally oppose violence and those who do not (Hidayah, 2009).

In reality, some groups may refrain from using violence for pragmatic reasons but could resort to violence if circumstances permit. Later studies have differentiated between 'non-violence' and 'not-violent'. The latter term refers to the absence of violence for pragmatic, tactical, and temporary reasons (Rahim, 2012).

Without violence, an action cannot be termed violent extremism. Hence, extremism that does not use violence can still be

considered extremism. Violent extremism includes supporting violence and the process of ideological hardening towards using violence, known as radicalization. To recognize violent extremism, understanding “extremism” is crucial. Experts list at least 20 characteristics of extremism, including positioning oneself and one's group outside the mainstream by rejecting existing political and social orders, rejecting democratic principles, and denying basic rights, especially for minority groups. “Extreme beliefs” are also crucial to distinguish from other forms of violence, such as ordinary criminal cases (Masyhuri, Akbar, & Amin, 2019).

Another distinguishing characteristic of these acts is the use of political identity and projects. Studies generally agree that radicalization is never influenced by a single factor. These factors may or may not be directly related and are usually grouped into push and pull factors (Langi, 2021). As a process, radicalization occurs at multiple levels: macro (country or community context), meso (social and cultural factors influencing smaller communities and identity groups), and micro (individual level) (Ariyani & Harimurti, 2018).

Indonesia, with its extensive diversity, is one of the world's most multicultural countries. Multiculturalism is well accepted in Indonesian society and can be divided into components like culture, cultural plurality, and the indigenous ways of accepting and responding to plurality. Multicultural education plays a positive role in upholding democracy in Indonesia (Dja'far & Nisa, 2021).

Implementing multiculturalism in Indonesia poses challenges due to the country's vast diversity. These challenges include issues like corruption, collusion, political disputes, violence, poverty, separatism, nepotism, environmental damage, and inhumanity in mutual respect, all manifestations of multiculturalism (Efim & RiyantO, 2022).

Diversity in Indonesia can lead to various problems. Ethnic diversity, for instance, can cause issues due to the numerous ethnic groups with their unique understandings and thoughts. Religious diversity, with multiple religious ideas entering through trade and interaction, can also cause conflicts, as seen in recent blasphemy cases. Racial diversity, influenced by Indonesia's geographical openness, results in interactions with nations from outside, like Chinese and Arab descendants, leading to various issues (Tahir, 2018).

To address these problems, cultivating multicultural education is essential. Multiculturalism is an ideology that must continue to develop and be advocated for, as it is foundational to democracy, human rights, and societal welfare. Islamic economics, often referred to as sharia economics, is grounded in the principles outlined in the Qur'an and Hadith. It highly values the role of individuals, emphasizing that one's actions should not harm others for personal gain. All actions must consider the community's greater

## **Conclusion**

This study aimed to explore the impact of minority extremism in a multicultural society on Islamic economics in Indonesia. The findings indicate that minority extremism, characterized by ideologically motivated violence and radicalization, poses significant challenges to the social and economic fabric of Indonesia. The research revealed that such extremism not only disrupts social harmony but also undermines economic stability, particularly within the framework of Islamic economics which emphasizes social justice, equity, and communal welfare.

The study underscores the necessity of addressing the root causes of extremism, including socio-economic disparities, lack of education, and inadequate governance. It highlights the importance of promoting inclusive policies that respect diversity and protect minority rights to foster a more resilient and cohesive society. Furthermore, the research emphasizes the role of Islamic economic principles in mitigating extremism by advocating for equitable wealth distribution, ethical business practices, and social welfare programs.

This research is limited by its reliance on secondary data, which may not capture all relevant aspects of the issue. Additionally, the focus on Indonesia may limit the generalizability of the findings to other multicultural contexts. Future research should incorporate primary data through surveys and interviews for a more comprehensive understanding. Comparative studies across different countries with diverse multicultural settings are also recommended to enhance the generalizability of the findings. Moreover, employing quantitative methods with advanced statistical techniques could provide more precise measurements of the impacts. An interdisciplinary approach involving economics,

sociology, and religious studies could offer a more holistic view of the influence of minority extremism on Islamic economics.

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