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## GOLDEN PERIOD OF THE Umayyad DYNASTY: PROGRESSIVE ECONOMIC ELABORATION DURING THE REIGN OF UMAR BIN ABDUL AZIZ

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### Abstract

The Umayyad Dynasty was considered an advanced and developed state because the welfare of its people was well achieved, partly through economic progress and development. A positive impression is associated with the governance of Caliph Umar bin Abdul Aziz, the supreme leader of the Umayyad Dynasty. Although his reign was brief, he had a significant impact on the economic progress of the state, which in turn influenced the prosperity and well-being of society. This makes his policies and key economic development initiatives an interesting subject for study. This article employs historical research methods, which include four stages: heuristics (source collection), source criticism (internal and external evaluation), interpretation (data classification and causal analysis), and explanation in the form of historiography. The findings of this study highlight that Caliph Umar bin Abdul Aziz was one of the greatest leaders in Islamic history, known for his justice, wisdom, and commitment to Islamic values. He was also known for his simplicity, rejecting personal wealth from his position of power, and viewing the caliphate as a means to serve the people rather than enrich himself or his family. Upholding justice and tolerance, Umar bin Abdul Aziz treated his people fairly, regardless of religion, ethnicity, or social status, and ensured the protection of non-Muslim rights within his territory.

### Keywords:

Umayyad Dynasty, Umar bin Abdul Aziz, Economic Progress

### INTRODUCTION

The Umayyad Dynasty ruled for nearly a century and ushered in a golden age across all sectors of life, including the economy, politics, society, culture, and knowledge.<sup>1</sup> Although this period was significant, further studies and a comprehensive understanding are still

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<sup>1</sup> Muhammad Akbar Ritonga and Johan Septian Putra, "Strategi Thariq Bin Ziyad Menaklukkan Andalusia 711-714 M," *Journal of Islamic History* 1, no. 2 (2021): 138–69, <https://doi.org/10.53088/jih.v1i2.102>.

needed to explore the development of Muslim civilization during the Umayyad Dynasty era.<sup>2</sup>

The dynasty was led by fourteen caliphs, each with a distinct leadership style. One of the caliphs who brought prosperity to the Umayyad Dynasty was Umar bin Abdul Aziz, who served as the eighth caliph from 717 to 720 CE. Umar bin Abdul Aziz was the son of Abdul Aziz bin Marwan, one of the best governors of the Umayyad Dynasty. He was a descendant of the Rashidun Caliph Umar bin Khattab through his maternal lineage, as his mother was Ummu Ashim binti Ashim binti Umar bin Khattab.<sup>3</sup> Umar bin Abdul Aziz was born in Damascus in 680 CE. From an early age, he displayed a deep interest in religious knowledge. Around the age of five, he began diligently studying religious sciences, and by the age of seven, he had successfully memorized the Qur'an. His love for knowledge made him an intelligent individual with a high level of scholarship, while also growing into a devout and righteous (*saleh*) young man.

Before becoming caliph, Umar bin Abdul Aziz played a crucial role in the administration of the Umayyad Dynasty. In 714 CE, Sulaiman bin Abdul Malik, who succeeded Walid bin Abdul Malik as caliph, appointed Umar bin Abdul Aziz as minister and chief advisor. This appointment was based on Umar bin Abdul Aziz's steadfast personality, independence, and resistance to external influences. His influence in the government grew significantly, with almost all of Sulaiman bin Abdul Malik's policies being shaped by his thoughts. One of his most notable policies was the dismissal of governors and officials who were unjust to the people.<sup>4</sup>

When Sulaiman bin Abdul Malik fell ill and was no longer able to lead, he appointed Umar bin Abdul Aziz as his successor before his death. In 717 AD, Umar bin Abdul Aziz was officially appointed as the caliph of the Umayyad Dynasty. This decision surprised many, as Umar bin Abdul Aziz was not from the family of Abdul Malik. Initially, Umar bin Abdul Aziz declined the appointment, but he eventually accepted the responsibility. Umar bin Abdul Aziz's leadership was markedly different from that of previous Umayyad caliphs, who tended to be authoritarian and secular. Umar bin Abdul Aziz focused more on domestic development rather than territorial expansion, prioritizing the welfare of the people and the enforcement of Islamic law. His governance was based on the Qur'an and the Sunnah, allowing him to restore the true essence of Islamic governance.

The Umayyad Dynasty can be considered a progressive and developed state because the welfare of its people was achieved effectively. One of the ways to realize this was by advancing and developing the economic sector. Since the time of the Prophet Muhammad ﷺ, economic development had been an important aspect, and during the reign of the Umayyad Dynasty, significant transformations occurred in various fields, including the economy. The peak of the state's progress and the welfare of the people of the Umayyad Dynasty was reached during the rule of Umar bin Abdul Aziz. Although his reign was

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<sup>2</sup> Saidatul Husna Harahap et al., "Perkembangan Peradaban Islam Pada Dinasti Dinasti Umayyah," *Tabayyun* 2, no. 1 (2024): 184–99, p. 185.

<sup>3</sup> Muh Nur, Islam Nurdin, and Erni Munastiwi, "Revitalisasi Idealitas Pengelolaan Keuangan Pendidikan : Studi Masa Khalifah Umar Bin Abdul Aziz," *Nusantara: Jurnal Pendidikan Indonesia* 3, no. 3 (2023): 589–612, p. 594.

<sup>4</sup> Nur, Nurdin, and Munastiwi.

relatively short, his contributions to building Islamic civilization and improving economic conditions were immense. This was largely due to the economic policies he implemented, which were strikingly different from those of previous Umayyad caliphs. The caliphs before Umar bin Abdul Aziz focused more on maintaining power and personal or familial interests, while Umar bin Abdul Aziz prioritized the welfare of the people as the primary goal of his governance.

Umar bin Abdul Aziz's policies were rooted in justice, fairness, and adherence to Islamic principles. He reformed the tax system, ensuring that wealth was distributed more equitably and that the poor and vulnerable were supported. He also encouraged agricultural development, trade, and infrastructure projects, which stimulated economic growth and improved living standards. His emphasis on transparency and accountability in governance further strengthened public trust and contributed to the overall prosperity of the state. Umar bin Abdul Aziz's legacy as a just and compassionate leader continues to be remembered as a golden era in Islamic history, demonstrating how ethical leadership and people-centered policies can lead to societal advancement and well-being.

One of the proofs of the success of the economic policies implemented during the reign of Umar bin Abdul Aziz was the absence of *mustahiq zakat*, or those willing to receive zakat, when the *amil* (zakat collectors) traveled through villages in Africa. Moreover, the people no longer had debts, and their needs were well met. This occurred because those debts were paid off using funds from the *Baitul Maal* (state treasury). Based on this, researchers feel compelled to explore Umar bin Abdul Aziz's economic thoughts more deeply, particularly in managing state revenue sources.<sup>5</sup>

The system of government he implemented was based on Islamic values, where all aspects of life, both individual and state, had to align with these principles. Umar bin Abdul Aziz reinstated the concept of *shura* (consultation) in decision-making, promoted unity among the Muslim community, avoided division, and established a political contract with the people. Some of his key policies included appointing trustworthy individuals to strategic positions, encouraging society to practice the Qur'an and Hadith, directly overseeing state administration, ensuring freedom of expression, and allocating state revenue for public welfare. Umar bin Abdul Aziz was also known for his deep concern for the needs of his people, with policies that were always based on deliberation, integrity, justice, and the principle of enjoining good and forbidding evil (*amar ma'ruf nahi munkar*).<sup>6</sup>

Some of the statements above provide a positive impression of the governance of Caliph Umar bin Abdul Aziz as the supreme leader of the Umayyad Dynasty. Although his reign was relatively short, it had a significant impact on the existence of the Umayyad Dynasty at the time. The most prominent impact was on the progressiveness of the state's economy, which contributed to the well-being and prosperity of its people. This makes it an interesting subject for further study in this article through three academic problems: what is the

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<sup>5</sup> AZIDNI ROFIQO and FITRA RIZAL, "Economic Policy in Umayyah Era (Policy Success of Umar II and Failure of Governor of Nasar Bin Sayyar in Marwan II Era 744–750)," *Al-Tsaqafa : Jurnal Ilmiah Peradaban Islam* 16, no. 2 (2019): 226–36, <https://doi.org/10.15575/al-tsaqafa.v16i2.5832>.

<sup>6</sup> Meti Astuti, "Konsep Pemerataan Ekonomi Umar Bin Abdul Aziz (818 M-820M)," *At-Tauzi' : Jurnal Ekonomi Islam* 17, no. 2 (2017): 141–55.

historical background and biography of Umar bin Abdul Aziz, and how Umar bin Abdul Aziz's economic policies contributed to the progress of the dynasty and the prosperity of its society.

## METHODOLOGY

The research uses the literature review method, which involves collecting, analyzing, and synthesizing various relevant and credible sources of literature related to the topic being studied. This type of research is classified as library research, where the research is conducted by collecting data or scholarly writings and critically reviewing them to solve a problem, based on the relevant and appropriate literature related to the topic. In simple terms, library research is a series of activities related to the method of collecting library data, reading, noting, and processing the research materials.<sup>7</sup>

The data used in this research is sourced from books, academic journals, articles, and historical documents that discuss the economic policies during the reign of Umar bin Abdul Aziz. The steps taken include a literature search using specific keywords, evaluating the credibility of the sources, classifying information based on themes, and organizing analysis to answer the research questions. This method aims to explore the economic ideas and policies of Umar bin Abdul Aziz.

However, the study in this article uses historical research methods. According to Louis Gotschalk, the historical method is explained as the process of examining and analyzing historical testimonies to discover authentic and credible data, as well as the effort to synthesize that data into a historical narrative. The methodology of this science involves elaborating and formulating general laws through a comparative study of facts. The flow or procedure of historical research methods includes four stages: heuristics, which involve collecting materials/sources; source criticism, which includes internal and external criticism; interpretation, which involves classifying data and searching for causal laws; and explanation in the form of historiography.<sup>8</sup>

## RESULT and DISCUSSION

### A. The Biography of Umar Bin Abdul Aziz

The full name of Umar bin Abdul Aziz is Umar bin Abdul Aziz bin Marwan bin Hakam bin Abil Ash bin Umayyah bin Abdu Syams bin Abdu Manaf. He was born on Tuesday, 26th of Safar 62 AH (November 4, 682 CE) in Medina, and is also known as Umar II. His father was one of the best officials of the Umayyad Dynasty, renowned for his generosity and dedication to studying hadith. His mother's name was Ummu Ashim binti Umar bin Khattab. Umar bin Abdul Aziz's lineage traces back to Umar bin Khattab, so it is no surprise that he inherited many of the noble traits of Umar. Umar bin Abdul Aziz is recognized as one of the caliphs whose reign is recorded as a golden age of Islam, due to his

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<sup>7</sup> Johan Septian Putra, "Historiografi Islam Indonesia Kontemporer (Studi Kajian Buku Api Sejarah Karya Ahmad Mansur Suryanegara)," *Tarikhuna: Journal of History and History Education* 3, no. 2 (2021): 125–38, <https://doi.org/10.15548/thje.v3i2.3079>.

<sup>8</sup> Johan Septian Putra, "MEMAHAMI SEJARAH MELALUI AYAT-AYAT AL-QUR'AN," *Khazanah* 11, no. 1 (2021), <https://doi.org/10.15548/khazanah.v11i1.470>.

success in bringing prosperity to his people to the point that there was no one left to receive zakat. Many improvements were made from the beginning of his rule until its end.

Umar bin Abdul Aziz divided his reign into two periods. The first year focused on restructuring and building the foundation of the state, while in the following year, Umar developed the economy thoroughly, alongside ensuring the balance of politics and society. Since his childhood, Umar bin Abdul Aziz had shown a strong love for knowledge, especially religious studies, and actively learned from scholars in religious gatherings. He began memorizing the Quran at an early age. Umar bin Abdul Aziz grew into an intelligent young man in Medina, raised alongside Abdullah bin Umar by his grandmother, as his mother, Ummu Asim, lived with her husband, who served as the governor of Egypt.

While in Medina, Umar bin Abdul Aziz was financially supported by his grandmother and received teachings from the companions of the Prophet Muhammad ﷺ. He studied various fields, such as hadith, fiqh, and Arabic literature, which made him knowledgeable and respected by many. After his education, Umar began his career as a public official. He was appointed as the son-in-law of Caliph Abdul Malik and married Fatimah binti Abdul Malik. In 85 AH, Umar bin Abdul Aziz was appointed as the governor of Khusnasirah, a major city in Aleppo, Syria. Less than two years into his tenure there, Umar bin Abdul Aziz was transferred to Medina to replace the previous governor in 706 CE. Due to his successful performance, Umar bin Abdul Aziz was appointed as the governor of the Hijaz region, which included the two holy cities of Islam, Mecca and Medina. During his six years as governor of Medina, he made significant contributions, especially in development and creating peace in the city. One of his policies was to expand the Nabawi Mosque and dig a well for the benefit of the community and travelers.<sup>9</sup>

## **B. Umar bin Abdul Aziz as Caliph**

Umar bin Abdul Aziz was sworn in as caliph after the death of Sulaiman bin Abdul Malik. He led by prioritizing the afterlife, calling on the people to obey Allah SWT, and rejecting the feudalism that had been widely practiced by previous caliphs of the Umayyad Dynasty. Umar bin Abdul Aziz upheld a just government, dismissed corrupt officials, and replaced them with honest and just ones, even if they were not from the Umayyad family. He implemented the principle of *amar ma'ruf nahi munkar*, which called the people to good deeds and fought against all forms of evil.

In the military field, he halted wars against those who had not yet embraced Islam in the conquered regions, which ultimately led many people, including the King of Sind, to convert to Islam. The inhabitants of Egypt, Syria, and Persia also followed their example. He also improved the economic system by reducing taxes and ensuring that their collection was carried out fairly and without violence. Additionally, he built infrastructure such as irrigation channels, wells, and lodgings for travelers. Furthermore, he increased the number of

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<sup>9</sup> Fitria Wahyuningsih, "Analisis Sejarah Sosial Terhadap Materi Kepemimpinan Umar Bin Abdul Aziz Pada Buku Ajar Sejarah Kebudayaan Islam Kelas VII Madrasah Tsanawiyah" (UNIVERSITAS ISLAM NEGERI MAULANA MALIK IBRAHIM MALANG, 2016).

mosques and assisted the poor and the sick.<sup>10</sup>

Various efforts were made by Umar bin Abdul Aziz to improve economic growth and the well-being of society, including creating a conducive climate for economic growth by ensuring security, calming conflicts, restoring the rights of the oppressed, and more. Additionally, Umar instructed his officials to build public facilities such as roads, bridges, and transportation, as the well-being of society cannot be achieved without public infrastructure to meet their needs. The concept of "free economy" was introduced by Umar, which motivated society to be more enthusiastic about engaging in trade and investing their capital.<sup>11</sup>

### **C. The Death of Umar bin Abdul Aziz**

Umar bin Abdul Aziz passed away in the year 101 Hijri (720 AD) at the age of approximately 39, after ruling for about two years and five months. He died in a place called Dair Sam'an, Syria. Umar bin Abdul Aziz was known as a caliph who was extremely humble, just, and prioritized the welfare of his people. However, his reformist and pro-people policies caused many parties, particularly the elites and members of the Umayyad Dynasty, who had previously enjoyed unlimited wealth and power, to feel disadvantaged. This is believed to be one of the factors that contributed to his death.

Most historical sources mention that Umar bin Abdul Aziz passed away due to being poisoned by those who felt threatened by his policies. This suspicion is reinforced by the fact that:

1. He passed away suddenly after showing severe symptoms of illness.
2. The poison was allegedly administered by a servant under the orders of certain parties who disagreed with Umar bin Abdul Aziz's policies

However, there is also an opinion that Umar bin Abdul Aziz passed away due to natural illness caused by physical exhaustion and mental stress during his leadership. As his death approached, Umar bin Abdul Aziz displayed extraordinary patience and steadfast faith. He remained calm and surrendered everything to Allah SWT. His final wish was that no state wealth be used for his burial, and even his shroud was taken from his personal belongings.<sup>12</sup>

Although Umar bin Abdul Aziz ruled for a relatively short period, his influence was immense. Here are some of the legacies he left behind:

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<sup>10</sup> Setiyanto Priyonggo, Lucky Nugroho, and Zulfahmi, "Kajian Kebijakan Publik Pada Masa Khalifah Umar Bin Abdul Azis Dan Relevansinya Dengan Kebijakan Publik Pemerintah Indonesia Saat Ini (Perspektif Pengangguran Dan Pengentasan Kemiskinan)," *Moneter : Jurnal Ekonomi Dan Keuangan*, 2024, <https://journal.arei.or.id/index.php/Moneter/article/view/177>.

<sup>11</sup> Mochammad Ridhwan Musthofa, "Strategi Pengelolaan Zakat: Analisis Komparasi Era Khalifah Umar Bin Abdul Aziz Dan Era Sekarang Di Indonesia," *Jemasi: Jurnal Ekonomi Manajemen Dan Akuntansi* 16, no. 1 (2020): 1–13, p. 4, <https://doi.org/10.35449/jemasi.v16i1.57>.

<sup>12</sup> Anisa Wihayati, "PERAN KEPERIBADIAN DALAM KESUKSESAN PEMBANGUNAN : STUDI KEPEMIMPINAN UMAR BIN ABDUL AZIZ," *Inteleksia: Jurnal Pengembangan Ilmu Dakwah* 6, no. 1 (2024): 67–86, <https://doi.org/10.55372/inteleksiajpid.v6i1.306>.

1. Social Justice: He restored the rights of the people that had been taken away by previous rulers, ensuring fairness for all.
2. Administrative Reforms: He abolished burdensome taxes and managed the state's finances with transparency, promoting efficiency and accountability.
3. Spread of Islam: His gentle and just policies helped many people embrace Islam, spreading the faith to new regions.
4. Exemplar of Simplicity: His simple lifestyle and deep fear of Allah SWT set a powerful example for future leaders, showing that true leadership is grounded in humility and devotion to God.

The death of Umar bin Abdul Aziz was a great loss for the Muslim community. However, his spirit and exemplary leadership continue to inspire us today. He set an example of how a leader must be accountable for the trust placed in them, governing with justice and piety. His legacy serves as a reminder of the values that should guide those in positions of authority and *taqwa*.

#### **D. The Economic System in the Umar bin Abdul Aziz Era**

Umar bin Abdul Aziz is known as a pious, just caliph who rejected all forms of violence. One of the steps he took was to prohibit the insult of Ahlul Bait. Before being appointed as caliph, Umar bin Abdul Aziz grew up and was raised in an environment filled with luxury and abundance. However, after assuming leadership, he chose to live a life of asceticism and simplicity. Many Muslims compare his leadership style to that of his grandfather, Umar bin Khattab, especially in terms of justice and simplicity.

Umar bin Abdul Aziz's leadership is an extraordinary example and worthy of being a role model, even though such leadership is rarely found today. What is particularly interesting is that Umar bin Abdul Aziz, as an ordinary human being and not a prophet or messenger, was able to implement a comprehensive Islamic economic system. He did this despite inheriting a government far from Islamic values due to the deviations of previous Umayyad caliphs. In a short period of just 29 months, he managed to create a situation where there was not a single recipient of zakat in his domain, which covered 39 countries. This achievement is truly remarkable and inspiring.<sup>13</sup>

After these measures were implemented, the funds in the Baitul Mal (state treasury) still remained surplus. Umar bin Abdul Aziz then ordered that the debts of those in need, who were not wasteful, be settled. When funds were still available, Umar bin Abdul Aziz instructed that those who wished to marry but could not afford the dowry be assisted. Even after that, the funds in the Baitul Mal remained abundant. Umar bin Abdul Aziz directed that people who paid *jizyah* and *kharaj* but lacked capital be given loans to manage their land. He emphasized that the repayment of these loans would not be demanded for two years or more, demonstrating a policy that not only alleviated the burden on the people but also supported their economic improvement.<sup>14</sup>

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<sup>13</sup> Fadillah Khairunnisa et al., "Kebijakan Ekonomi Pada Masa Kegemilangan Islam Umar Bin Abdul Aziz," *Journal Of Islamic Management Applied* 1, no. 1 (2021): 1–7.

<sup>14</sup> Aisyah Ayu Musyafah, "Perkembangan Perekonomian Islam Di Beberapa Negara Di Dunia," *Khazanah Vol. 15 No.1 Januari - Juni 2025* | 7

### **E. The Economic Policies of Umar bin Abdul Aziz**

The thoughts on economics in Islamic society have deep and diverse roots, and have developed since the early days of Islam, starting from the time of the Prophet Muhammad ﷺ. These discussions have been approached from various perspectives, including Quranic interpretation and Islamic jurisprudence (Fiqh). For example, the prohibition of usury (riba) and the encouragement of economic activities for the welfare of humanity have been key topics in the early debates about Islamic economics. Additionally, Muslim scholars, Sufis, and philosophers who emphasized the importance of the Islamic ethical system in developing morality have also shaped economic thought. Umar bin Khattab and Umar bin Abdul Aziz are some of the Muslim figures who led economic policies in the past, and their policies resulted in economic progress. The success of the community was not the sole aim of these policies; they also focused on the fair and sustainable management of resources. Islamic economic thought also dates back to the time of the Prophet Adam, with simple economic activities such as consumption, distribution, and production evolving.<sup>15</sup>

The principles of Islamic economics are derived from the teachings of Islamic law (sharia), serving as the foundation for regulating and conducting economic activities in a way that aligns with Islamic values, which are derived from the Qur'an and Hadith. Therefore, Islamic economics takes into account both moral and spiritual aspects, aiming for widespread well-being in society. The principles of Islamic economics are built upon five universal values: Tawhid (Oneness of God), 'Adl (Justice), Nubuwwah (Prophethood), Khilafah (Stewardship), and Ma'ad (Hereafter):

1. Tawhid emphasizes the belief that everything belongs to Allah, and humans are merely temporary stewards of it.
2. 'Adl highlights the importance of justice in every economic transaction. The examples set by the Prophet Muhammad ﷺ in business and social interactions are referred to as Nubuwwah.
3. Ma'ad serves as a reminder that every action in this world will be accountable in the hereafter.
4. Khilafah shows that humans are responsible for wisely managing natural resources.<sup>16</sup>

During Umar bin Abdul Aziz's leadership, the welfare of the people was truly guaranteed. There were reports that the collected zakat funds could not be distributed because there were no longer people eligible to receive them. The Islamic caliphate under Umar bin Abdul Aziz's rule successfully created a relatively equitable distribution of wealth, not only in Africa but also extending to Basrah and Iraq. From the beginning of his reign, Umar bin Abdul Aziz immediately revoked the privileges gained by the Umayyad Dynasty, such as lands and other assets they had acquired through the abuse of power and violations of the law. Umar bin Abdul Aziz began this effort by liquidating all his wealth, valued at

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*Diponegoro Privat Law Review* 4, no. 1 (2019): 419–27.

<sup>15</sup> Regina Pratiwi et al., "Perkembangan Pemikiran Ekonomi Dan Peradaban Islam Ditinjau Dari Perspektif Sejarah," *Jurnal Ilmiah Ekonomi Manajemen Bisnis Dan Akuntansi* 2, no. 1 (2025): 723.

<sup>16</sup> Pratiwi et al., 725.

23,000 dinars (approximately Rp 12 billion), and donating the proceeds to the Baitul Mal.<sup>17</sup>

### **1. Implementing a Free Market System**

Umar bin Abdul Aziz sent a letter to the governors with instructions that read: "Indeed, one form of obedience of a servant to Allah SWT and His Messenger is to invite others to implement Islam comprehensively and allow them to manage their wealth, both on land and at sea, without any obstruction or prevention." The freedom mentioned here is still constrained by Islamic law, meaning that trade in prohibited goods remains forbidden. However, officials were prohibited from interfering in market price setting; the decision on prices was entirely left to market participants. Additionally, all costs related to the use of public facilities, such as roads and bridges, were abolished.

This aligns with the narration of Abdurrahman bin Syauban, who stated that Umar bin Abdul Aziz took this step because, during the previous reigns, the government had heavily burdened the dhimmi (non-Muslims living under Islamic rule). However, Umar bin Abdul Aziz successfully resolved this policy, creating a healthy market where the people felt free to produce and work without being hindered by burdensome regulations. Trade grew rapidly as a result of the economic expansion, which also led to an increase in zakat from traders. The rise in funds for Baitul Maal allowed for greater subsidies for the poor and increased their purchasing power. This, in turn, caused production sectors to grow, as the purchasing power of the people increased. Ultimately, the people became more prosperous as the country's economy advanced.<sup>18</sup>

### **2. Managing State Revenue**

Before the caliphate of Umar bin Abdul Aziz, zakat had been a primary source of state revenue, starting from the time of the Prophet Muhammad ﷺ and continued by the companions. Under the rule of Umar bin Khattab, zakat was managed effectively, resulting in abundant revenue. After Caliph Abu Bakr Ash-Shiddiq fought those who refused to pay zakat, zakat receipts increased significantly. Umar bin Khattab then implemented zakat policies that covered commercial products, gold and silver, livestock, agricultural produce, non-consumable honey, and trade horses.

Umar bin Abdul Aziz, as the great-grandson of Umar bin Khattab, developed a different method of zakat management. He established the state as the primary regulator and took strict action against those who refused to pay zakat. The zakat collection process was conducted transparently to increase public trust, while the amil also provided education about Islam and zakat. This strategy was successful, and there were no longer any mustahiq (eligible recipients), as many people transitioned into becoming muzakki (paying zakat) due to an increase in work motivation. On the other hand, Umar bin Abdul Aziz gave local governments the authority to manage zakat and taxes. Areas lacking zakat received subsidies, while regions with surpluses were directed to help those in need. This policy encouraged more equitable wealth distribution and strengthened the national economy.

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<sup>17</sup> Wahyuningsih, "Analisis Sejarah Sosial Terhadap Materi Kepemimpinan Umar Bin Abdul Aziz Pada Buku Ajar Sejarah Kebudayaan Islam Kelas VII Madrasah Tsanawiyah."

<sup>18</sup> Saifuddin Zuhri Qudsy, "Umar Bin Abdul Aziz Dan Semangat Penulisan Hadis," *Esensia Jurnal Ilmu-Ilmu Ushuluddin* 14, no. 2 (2013): 257-76.

In addition to zakat, Umar bin Abdul Aziz also successfully optimized revenue from kharaj, a tax imposed on the land of non-Muslim territories that were conquered. There were two methods of collecting kharaj: muqasamah, which involved sharing the harvest, and wazifah, a fixed annual tax. Umar also prohibited practices that harmed farmers, such as taxing land based on its fertility. Umar bin Abdul Aziz sought to manage taxes like jizyah with flexibility. He exempted new Muslims (mualaf) from the jizyah obligation and ensured that kharaj land remained owned by Muslims. This policy led to many people embracing Islam, although the state's revenue from taxes decreased. Nevertheless, Umar bin Abdul Aziz maintained budgetary balance and prohibited practices that were detrimental, such as land transactions without government approval.<sup>19</sup>

Umar bin Abdul Aziz also regulated other sources of income, such as usyr, a 10% tax on trade between regions. Usyr was first implemented during the reign of Umar bin Khattab when Islam spread beyond the Arabian Peninsula. The importance of usyr increased during Umar bin Abdul Aziz's time, where he emphasized clarity in regulations to prevent excessive charges by officials. As for the revenue from ghanimah (war spoils), its use decreased during Umar bin Abdul Aziz's reign, as his focus shifted towards domestic stability rather than territorial expansion. Surplus ghanimah from previous administrations was allocated to the Baitul Maal during his rule. With his progressive policies and fair management of state revenue, Umar bin Abdul Aziz was able to significantly improve the well-being of the people.<sup>20</sup>

### **3. Land Management in Agriculture**

Umar bin Abdul Aziz implemented agricultural policies that prioritized the welfare of the people rather than merely focusing on state interests. He encouraged the population to open new land for farming and to increase production. To prevent land monopolies and ensure that all citizens had the opportunity to earn a living, Umar bin Abdul Aziz prohibited the sale of cultivated land. If a Muslim wished to cultivate land, they had to obtain permission from the government, pay kharaj taxes, and lease the land from the Baitul Mal for a specified period. In setting lease rates, Umar bin Abdul Aziz prioritized fairness by halting taxes on uncultivated land and taking into account the well-being of farmers when determining lease rates for fertile land.

The proceeds from the management of the land were divided with the Baitul Mal (state treasury): half if the people were able, one-third if they were less capable, or one-tenth if they were still struggling. If the people were completely unable, the Baitul Mal would assist in the management of the land.<sup>21</sup>

### **4. Abolishing Burdensome Taxes**

Umar bin Abdul Aziz abolished taxes that did not follow Islamic principles to

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<sup>19</sup> A. Muhammad Ramdhani, *Pemerintahan Khalifah Umar Bin Abdul Aziz Tahun 717-720*, *Digital Repository Universitas Jember*, vol. 3, 2017.

<sup>20</sup> Shofya Humaira Siti Salma and Ayi Yunus Rusyana, "Kebijakan Ekonomi Khalifah Umar Bin Abdul Aziz Dan Relevansinya Terhadap Zakat Di Indonesia," *Jurnal Riset Ekonomi Syariah*, 2023, 7–14, <https://doi.org/10.29313/jres.v3i1.1705>.

<sup>21</sup> Khairunnisa et al., "Kebijakan Ekonomi Pada Masa Kegemilangan Islam Umar Bin Abdul Aziz."

alleviate the burden on society. One example was the practice of kharaj land brokers and the control of agricultural produce by officials in Basrah during previous administrations. Officials often purchased farm produce at low credit prices and resold it at higher prices for cash, which disadvantaged farmers. To prevent this injustice, Umar bin Abdul Aziz implemented tax policies tailored to the conditions of the people, taking into account whether they were experiencing a fertile season or a period of drought.

Umar bin Abdul Aziz also regulated and eliminated additional levies in the trade sector that had previously burdened traders. By only imposing usyr as the official levy, traders were better supported and motivated to increase the volume of their goods. As a result, the profits earned by traders grew along with the increase in trade volume. This policy also strengthened the national economy by boosting the demand for agricultural products, which had a positive impact on the trade sector.<sup>22</sup>

### **5. Infrastructure Building**

Umar bin Abdul Aziz implemented a new strategy focused on infrastructure development to support regional economic growth. One significant achievement was the construction of tunnels under cliffs and the discovery of Bi'r al-Hafir as a clean water source during excavation in the Madinah region. Additionally, Umar bin Abdul Aziz encouraged the establishment of new water sources, the development of canals, and other construction projects, including those between the Nile River and the Red Sea. This infrastructure was designed to create artificial river flows that facilitated the distribution of food and supported the needs of farmers.<sup>23</sup>

### **6. Implementing Zakat Management According to Sharia**

Umar bin Abdul Aziz is well-known for implementing the concept of zakat, which became a hallmark of his administration. He expanded the scope of zakat objects and established mechanisms for collection, withdrawal, and distribution, all while adhering to Islamic law, but with an innovative approach. Umar bin Abdul Aziz's honesty and noble character fostered public trust, leading to a significant increase in individual awareness and willingness to pay zakat. As a result, the entire population during his reign became contributors to zakat, and zakat income in the Baitul Mal flourished. At the beginning of his rule, Umar bin Abdul Aziz replaced corrupt or incompetent officials, including the amil zakat (zakat collectors). He selected replacements strictly based on education, expertise, and competency, without regard for ethnic or lineage background. The appointed amil zakat were directed to collect zakat gently from various sources, such as government salaries, agricultural produce, fisheries, and lost-and-found property. The zakat collected was distributed to the needy, and any surplus zakat was kept for the country's needs.<sup>24</sup>

The concept of zakat became a key aspect of Umar bin Abdul Aziz's governance. He expanded the zakat objects and established a system for collecting and distributing zakat that adhered to Islamic law. His leadership successfully raised public awareness about paying

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<sup>22</sup> Salma and Rusyana, "Kebijakan Ekonomi Khalifah Umar Bin Abdul Aziz Dan Relevansinya Terhadap Zakat Di Indonesia."

<sup>23</sup> Nurleili, *Mengentaskan Kemiskinan*, 2011.

<sup>24</sup> M Zia Ulhaq, "Pengelolaan Keuangan Publik Islam (Umar Bin Abdul Aziz)," *AMAL: Journal of Islamic Economic And Business (JIEB)* 02, no. 01 (2018): 64–80.

zakat, so that the entire population became contributors (muzaki), and the Baitul Mal saw a significant increase in zakat income. Umar bin Abdul Aziz also replaced corrupt and incompetent officials, including the amil zakat (zakat collectors), with individuals who had qualifications in education, knowledge, and skills, without considering their lineage or ethnicity. He instructed the amil zakat to collect zakat gently from sources like government salaries, agricultural produce, fisheries, and lost property, thus expanding the scope of zakat. The zakat collected was then distributed to those in need. If there was any surplus, it was placed in the state treasury. During Umar bin Abdul Aziz's rule, there were no people left as mustahik (eligible recipients), as all the people's needs were met. Zakat was distributed to the eight categories (ashnaf), and if none of the categories were eligible, Umar bin Abdul Aziz instructed to use the zakat funds to purchase and free slaves.<sup>25</sup>

One day, Umar bin Abdul Aziz wrote a message to his officials saying, "One form of obedience to Allah, as commanded in His book, is to invite others to fully implement Islam and allow them to manage their wealth, both on land and at sea, without interference." This message points to the implementation of a "regulated free economy," meaning Umar bin Abdul Aziz refrained from intervening in the pricing of goods or services in the market. However, while he did not regulate prices, he still prohibited transactions involving goods or services forbidden by Islamic law (syariat). Although the prices of goods and services could rise due to the lack of price controls, the increased income of the people enabled them to afford the higher prices, which in turn accelerated the economy.<sup>26</sup>

Umar bin Abdul Aziz was deeply concerned about the welfare of farmers and made efforts to alleviate their difficulties. One day, soldiers from the region of Sham damaged a farmer's land. When the farmer complained, Umar ordered the soldiers to compensate the farmer with 1000 (currency). Moreover, Umar bin Abdul Aziz provided interest-free loans to farmers and extended his care to the poor, destitute, and widows left behind by their husbands. He founded a special place to feed the poor and Ibn Sabil. The prisoners also received attention from Umar bin Abdul Aziz, who ensured that they were treated well and not treated cruelly, so that they could still carry out their worship such as shalat.<sup>27</sup>

## CONCLUSION

Umar bin Abdul Aziz was one of the great leaders in Islamic history, known for his fairness, wisdom, and commitment to Islamic values. He ruled the Umayyad Dynasty from 717 to 720 CE with an approach different from his predecessors, focusing on justice, the welfare of the people, and government reform. His leadership excellence lies in the social and economic reforms. Umar bin Abdul Aziz successfully abolished burdensome taxes on non-Muslim citizens and improved the distribution of zakat, significantly reducing poverty.

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<sup>25</sup> Nurani Puspa Ningrum, "Breakthroughs and Changes in Economic Policy During the Government of Umar Bin Abdul Aziz in Realizing Social Welfare," *At-Tahdzib : Jurnal Studi Islam Dan Mu'amalah* 8, no. 1 (2020): 1–27.

<sup>26</sup> Nurleili, *Mengentaskan Kemiskinan*.

<sup>27</sup> Indah Yani et al., "Strategi Komunikasi Pembangunan Dalam Pengembangan Masjid Al Muhajirin Bumi Asri," *Jurnal Ilmu Komputer, Ekonomi Dan Manajemen (JIKEM)* 2, no. 1 (2022): 923–26.

His simplicity and honesty were exemplary.

He lived modestly, rejected personal wealth gained from power, and made the caliphate a means to serve the people, not to enrich himself or his family. Justice and tolerance: Umar bin Abdul Aziz treated the people fairly regardless of religion, ethnicity, or social status, and protected the rights of non-Muslims within his domain. Administrative reforms: He replaced corrupt officials with trustworthy and competent individuals. In a relatively short time, Umar bin Abdul Aziz was able to build a reputation as a respected and remembered leader due to his integrity and vision rooted in Islamic teachings. He is a role model in leadership that prioritizes the people and serves as an example for future leaders.

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