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ANALYSIS OF THE IMPACT OF THE GULF WAR ON INDONESIA'S ECONOMIC STABILITY: IBN KHALDUN'S PERSPECTIVE

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ABSTRACT

This research aims to analyze the impact of the Gulf War on Indonesia's economic stability from the perspective of Ibn Khaldun's thought. The Gulf War is an international conflict that has a major impact on global economic conditions, especially on the international trade sector, world oil prices, inflation, and financial market stability. As part of the global economic system, Indonesia is also affected by this geopolitical instability.
This research uses a qualitative approach with the type of library research. The data source is obtained from Ibn Khaldun's main work, namely Muqaddimah, as well as various previous journals, books, and research relevant to the Gulf War and Indonesia's economic stability. The data collection technique is carried out through a documentation study, while the data analysis technique uses a descriptive-analytical method.
The results of the study show that the Gulf War had an impact on Indonesia's economic stability through the increase in world oil prices, increasing inflation, disruption of international trade, and fluctuations in the rupiah exchange rate. In Ibn Khaldun's perspective, conflicts and wars can lead to weakening economic activity, disruption of trade, and declining public welfare due to political and security instability. Ibn Khaldun's thoughts on the relationship between political stability and economic prosperity are still relevant to explain contemporary economic phenomena.
This study concludes that international geopolitical conflicts have a great influence on national economic stability. Therefore, it is necessary to strengthen domestic economic resilience, political stability, and government policies oriented towards the welfare of the people in facing the impact of the global crisis.

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A. INTRODUCTION

The development of the global economy in the modern era cannot be separated from the influence of international political dynamics. Conflicts between countries, wars, and geopolitical tensions are important factors that affect the stability of the world economy, including developing countries such as Indonesia. One of the international conflicts that had a major impact on the global economy was the Gulf War (Ananda 2023). The conflict involving Iraq and Kuwait has not only caused a political and security crisis, but has also triggered turmoil in the world economy, especially in the energy sector, international trade, and financial market stability.

The Gulf War caused disruption to world oil distribution because the Middle East region is the largest oil production center globally. This condition triggered an increase in international oil prices which had a direct impact on oil importing and exporting countries, including Indonesia (Zakiyatul Miskiyah et al. 2022). As a country that is dependent on international trade and energy price stability, Indonesia has also felt the impact of the conflict through increased inflation, changes in the rupiah exchange rate, export-import fluctuations, and macroeconomic instability. This situation shows that international geopolitical conflicts have a close relationship with the economic conditions of a country.

Economic stability is one of the important indicators in national development. This stability includes price stability, economic growth, inflation rates, exchange rates, and trade balance. When there is an international conflict such as the Gulf War, various economic sectors can experience pressure due to global uncertainty(Chamid 2022). The impact is not only short-term, but can also affect a country's economic policies in the long term. Therefore, an in-depth analysis of the relationship between international conflicts and Indonesia's economic stability is needed to understand how a country responds to global shocks.

From an Islamic economic perspective, economic stability is not only seen as a material issue, but also related to the social, political, and moral aspects of government. One of the Muslim figures who had great ideas about political and economic relations was Ibn Khaldun (Andrian Saputra 2022). Through his monumental work, Muqaddimah, Ibn Khaldun explained that the strength of a country is greatly influenced by political stability, social solidarity (*ashabiyah*), trade activities, and government economic policies. According to him, conflicts and wars can weaken people's productivity, hinder trade, increase the country's economic burden, and ultimately cause the decline of civilization.

Ibn Khaldun's thinking became relevant to be used in analyzing the impact of the Gulf War on the Indonesian economy. The theory put forward by Ibn Khaldun regarding the relationship between political conflict and economic decline provides a conceptual foundation for understanding how international turmoil can affect national economic stability (Nisak 2022). In addition, his thoughts on the importance of trade, state security, and the role of government in maintaining economic balance have become highly relevant to contemporary global conditions.

Research on the impact of war on the economy is generally more studied from a conventional economic perspective. Meanwhile, studies linking international geopolitical conflicts with Islamic economic perspectives, especially Ibn Khaldun's thought, are still relatively limited (Wahyudi 2022). Therefore, this research is important to make an academic contribution to the development of Islamic economic studies, especially regarding the relevance of Ibn Khaldun's thought to modern economic phenomena.

Based on this description, this study seeks to analyze the impact of the Gulf War on Indonesia's economic stability using the perspective of Ibn Khaldun's thought. This research is expected to be able to provide an understanding of the relationship between international geopolitical conflicts and national economic stability and strengthen the relevance of Islamic economic thought in answering contemporary global economic problems.

B. THEORITICAL FRAMEWORK

Economic stability is a condition when a country's economy is in a balanced state and is able to maintain sustainable economic growth. Economic stability is characterized by controlled inflation, exchange rate stability, low unemployment rate, and international trade balance (Khairul Anwar, Novalini Jailani 2022). In macroeconomics, economic stability is an important indicator in maintaining community welfare and the sustainability of national development. Economic instability can be influenced by various factors, both internal and external. One of the external factors that often affect the economic condition of a country is international conflicts and wars. The Gulf War is an example of an international conflict that has a major impact on the world economy through the increase in world oil prices, disruptions in international trade, and increasing inflation in various countries, including Indonesia.

From an economic geopolitical perspective, international political relations are closely related to global economic stability. Conflicts between countries can cause economic uncertainty, disruption of resource distribution, declining trade activities, and weakening of international financial market stability. The Middle East region has a strategic position in the world economy because it is the largest oil production center globally (Kamariah 2022). Therefore, conflicts that occur in the region can have a wide economic impact on other countries. The Gulf War involving Iraq and Kuwait caused disruption to world oil distribution, triggering an increase in international oil prices. This condition has an impact on countries that have a dependence on international trade and energy, including Indonesia.

This study uses the perspective of Ibn Khaldun's thought as a theoretical basis in analyzing the impact of the Gulf War on Indonesia's economic stability. In Muqaddimah, Ibn Khaldun explained that the stability of the country is greatly influenced by security, political power, social solidarity (*ashabiyah*), and trade activities. According to him, wars and political conflicts can cause economic decline because they hinder trade, weaken people's productivity, and increase the country's economic burden (Rahmawati 2023). This thinking shows that political and security conditions have a very close relationship with economic growth and people's welfare.

Ibn Khaldun also emphasized the importance of the government's role in maintaining economic stability and community welfare. The government has the responsibility to create security, protect trade activities, and maintain social balance so that economic activities can run optimally. When political stability is disrupted due to conflict, people's economic activities will decline and have an impact on weakening the country's economic condition (Hakim 2022). This thought is relevant to global economic conditions during the Gulf War, where geopolitical instability caused disruptions to international trade, rising world oil prices, and increasing economic pressures in various countries.

In addition, the concept *of ashabiyah* proposed by Ibn Khaldun is also an important part of this research. *Ashabiyah* is a social solidarity that is the main force in maintaining the unity and stability of the country (Fauzi 2023). According to Ibn Khaldun, countries that have strong social solidarity will be better able to face various threats, including economic pressures due to international conflicts. In the modern context, the concept shows the importance of cooperation between the government and society in maintaining national economic resilience in the midst of global instability.

Based on these theories, this study views that the Gulf War as an international geopolitical conflict has an influence on Indonesia's economic stability through various macroeconomic indicators such as inflation, international trade, exchange rates, and world oil prices(Mariam 2022). Ibn Khaldun's thoughts are used to explain the relationship between political conflicts, state stability, and the economic conditions of society so that this research is able to provide a more comprehensive analysis in the perspective of Islamic economics.

C. METHOD

This research uses a qualitative research approach with the type of library research. The qualitative approach was chosen because this research focuses on the analysis of social and economic phenomena related to the impact of the Gulf War on Indonesia's economic stability through the perspective of Ibn Khaldun's thought. Literature research is used to obtain data and information from various written sources relevant to the research topic.

The data sources in this study consist of primary data and secondary data. Primary data is obtained from Ibn Khaldun's main work, Muqaddimah, which contains concepts regarding state stability, trade, political conflicts, and the relationship between power and the economy. The secondary data was obtained from books, scientific journals, academic articles, economic reports, and various previous studies related to the Gulf War, Indonesia's economic stability, Islamic macroeconomics, and Ibn Khaldun's economic thought.

The data collection technique is carried out through documentation studies by examining various relevant literature. The researcher collected references related to the history of the Gulf War, its impact on the global economy and Indonesia, as well as the Islamic economic theory put forward by Ibn Khaldun. The data that has been collected is then classified based on the theme of the discussion to facilitate the analysis process.

The data analysis technique in this study uses a descriptive-analytical analysis method. Descriptive analysis is carried out by describing the events of the Gulf War and its impact on Indonesia's economic conditions, such as inflation, international trade, world oil prices, and national economic stability. Furthermore, an analytical analysis was carried out by relating the phenomenon to the concepts of Ibn Khaldun's thought regarding the relationship between political conflicts, state security, economic activities, and community prosperity.

In addition, this research also uses a historical approach to understand the background of the Gulf War and its impact on world economic conditions. This historical approach is combined with the Islamic economic approach to gain a more comprehensive understanding of the relevance of Ibn Khaldun's thought in explaining the impact of geopolitical conflicts on the economic stability of a country.

Through this research method, it is hoped that the research will be able to provide a systematic and in-depth analysis of the impact of the Gulf War on Indonesia's economic stability from the perspective of Islamic economics Ibn Khaldun.

D. FINDINGS AND DISCUSSION

The Impact of the Gulf War on Global Economic Stability

The Gulf War is one of the international conflicts that has a great influence on the world's economic conditions. The conflict that occurred due to Iraq's invasion of Kuwait caused geopolitical instability in the Middle East region known as the center of world oil production(Iqbal 2023). This condition resulted in the disruption of international oil distribution so that world oil prices increased significantly. The increase in oil prices then has an impact on increasing production costs, global inflation, and declining international trade stability.

The global economic instability caused by the Gulf War shows that political conflicts have a very close relationship with world economic activity. Countries that are dependent on oil imports are experiencing considerable economic pressure due to rising energy prices and industrial production costs. In addition, global uncertainty also affects international investment movements and weakens the stability of the world financial market (Barokallah, Gustiya Sunarti 2025). The situation proves that war not only causes physical and political damage, but also has a direct impact on the economic conditions of the international community.

In Ibn Khaldun's perspective, conflicts and wars are factors that can cause economic decline of a country or civilization. Through Muqaddimah, Ibn Khaldun explained that security and political stability are important elements in maintaining economic growth and trade. When security is disrupted due to war, people's economic activities will weaken, trade distribution will be hampered, and people's welfare will decrease. This thought shows a strong relevance to global economic conditions during the Gulf War.

The Impact of the Gulf War on Indonesia's Economic Stability

As part of the global economic system, Indonesia also felt the impact of the Gulf War on national economic conditions. One of the main impacts felt by Indonesia is the increase in world oil prices which affects the energy sector and national trade(Dwi Septianingrum, Hendestri Br Sembiring, M. Faisal Haririe, Sawaluddin Harahap 2025). The increase in oil prices has led to an increase in production costs in various industrial sectors, triggering inflation and a decrease in people's purchasing power.

In addition, global economic instability due to the Gulf War also affected Indonesia's export and import activities. The weakening of international trade has led to a decline in economic activity in several sectors that depend on the global market (Abdul Aziz 2023). Fluctuations in the rupiah exchange rate against foreign currencies are also one of the impacts that arise due to increasing international economic uncertainty. This condition causes the government to carry out various economic policies to maintain national stability.

The Gulf War also had a psychological impact on markets and investors. Global geopolitical uncertainty has led to a decline in international market confidence, affecting investment flows and financial stability in developing countries, including Indonesia (Aam Slamet Rusydiana 2022). This shows that international conflicts have multidimensional effects that are not only limited to countries directly involved in war, but also to other countries with global economic connections.

According to Ibn Khaldun, economic stability is highly dependent on political stability and security. When the international world experiences conflicts, trade relations between countries will be disrupted and have an impact on people's welfare. This thought is relevant to Indonesia's condition during the Gulf War, where global instability affected the trade sector, the price of basic necessities, and the general economic condition of the community.

Analysis of the Impact of the Gulf War from Ibn Khaldun's Perspective

Ibn Khaldun's thoughts on the relationship between politics and economics became an important foundation in analyzing the impact of the Gulf War on Indonesia's economic stability (Ainun Mardhiah 2024). In Ibn Khaldun's theory, countries that experience conflicts or are in an unstable political situation will experience a decrease in economic activity due to disruptions in security and trade. According to him, trade is an important source of the country's prosperity so that if trade activities are disrupted, the economic condition of the community will also weaken.

The concept *of ashabiyah* put forward by Ibn Khaldun also has relevance in the context of economic stability. Social solidarity and state power are important factors in dealing with economic pressures due to global conflicts (Sakti 2023). In conditions of international crisis, the government has an important role in maintaining price stability, trade security, and public welfare so that there is no greater economic downturn.

Ibn Khaldun also explained that wars can increase state expenditure and reduce people's productivity. In the modern context, this condition can be seen through increasing economic costs due to global instability, inflation, and disruption of international trade activities(Sahyanah 2019). This thought shows that Ibn Khaldun's theory is still relevant to be used to understand contemporary economic phenomena, including the impact of international geopolitics on the national economy.

In addition, Ibn Khaldun emphasized the importance of justice and government policies in maintaining economic balance. The government needs to take strategic steps to reduce the impact of the global crisis on society, such as maintaining price stability for basic necessities, strengthening the domestic trade sector, and increasing national economic resilience. Thus, Ibn Khaldun's thought is not only theoretical, but also has practical relevance in facing modern economic challenges.

The Relevance of Ibn Khaldun's Thought to Contemporary Economic Conditions

Ibn Khaldun's thoughts on the relationship between political conflict and economic stability show a strong relevance to current global economic conditions. Modern international conflicts, including the Gulf War, prove that wars can affect various aspects of the economy such as trade, investment, inflation, and financial market stability (Budiwati 2022). This is in accordance with Ibn Khaldun's view that security and political stability are the main foundations in building the country's prosperity.

In the Indonesian context, Ibn Khaldun's thoughts can be the foundation for strengthening national economic resilience in the midst of global geopolitical dynamics(Dian Permata Sari 2023). The government needs to build economic stability through strengthening the domestic sector, maintaining trade balance, and creating economic policies that are oriented towards people's welfare (Handayani 2024). In addition, social solidarity and community cooperation are also important factors in facing global economic pressures as stated by the *concept of ashabiyah* put forward by Ibn Khaldun.

Thus, the results of this study show that the Gulf War had an impact on Indonesia's economic stability through various macroeconomic indicators. Ibn Khaldun's thought has significant relevance in explaining the relationship between political conflicts, trade, and the economic well-being of society. Therefore, Ibn Khaldun's Islamic economic theory can be used as one of the perspectives in understanding the dynamics of the contemporary global economy.

E. CONCLUSION

Based on the results of the research, it can be concluded that the Gulf War had a significant impact on global economic stability and the Indonesian economy. The conflict caused disruption of world oil distribution, triggering an increase in international oil prices, inflation, fluctuations in international trade, and exchange rate instability. As a country connected to the global economic system, Indonesia also feels the impact in the form of increasing production costs, weakening people's purchasing power, and disrupted national economic stability.

The results of the study also show that the impact of the Gulf War is not only economic, but also related to global political and security conditions. International uncertainty due to war affects trade, investment activities, and financial market stability. This condition proves that geopolitical conflicts have a great influence on the economic sustainability of a country.

In Ibn Khaldun's perspective, wars and political conflicts are factors that can cause economic decline and weakening of people's welfare. Through Muqaddimah, it was explained that political stability, security, trade, and social solidarity (*ashabiyah*) are important elements in maintaining the country's prosperity. This thinking is relevant to the conditions that occurred during the Gulf War, where the disruption of global stability had a direct impact on economic activities and international trade.

This research shows that Ibn Khaldun's thinking still has relevance in analyzing modern economic phenomena, especially related to the relationship between geopolitical conflicts and national economic stability. Therefore, strengthening domestic economic resilience, political stability, and government policies oriented towards people's welfare are important factors in facing the impact of future global crises.

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