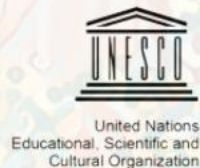


# ISLAMIC ETHICS

Week 1

ASSOC. PROF. DR. MOHD MAHYUDI



# PRESENTATION OUTLINE

PART 1: INTRODUCTION

PART 2: RELATIVE SCARCITY & ISLAMIC ETHICS

PART 3: SIGNIFICANCE OF *HOMO ISLAMICUS*

PART 4: THE CASE OF ISLAMIC CONSUMER

PART 5: CONCLUSION



# PART 1: INTRODUCTION



# LEARNING OBJECTIVES

Increase	Increase awareness on Islamic ethics in economics context
Know	Know <i>homo Islamicus</i> (Islamic man) as economic agent
Appreciate	Appreciate moral principles for Islamic consumer



# DEFINITIONS

- Ethics
  - moral principles that govern a person's behaviour or the conducting of an activity
- Moral
  - concerned with the principles of right and wrong behaviour
  - holding or manifesting high principles for proper conduct
- Principle
  - a fundamental truth or proposition that serves as the foundation for a system of belief or behaviour or for a chain of reasoning



# ISLAMIC ETHICS

- Knowledge for proper conduct => *'ilm fiqh* & *'ilm akhlaq*
- Characteristic:
  - Divine, objective, universal, meaningful & purposeful
- *Qalb* (heart) is the origin of intentional activities, the cause behind all humans' intuitive conduct
  - On the authority of Abu 'Abdullah al-Nu'man bin Bashir (ra) who said: I heard the Messenger of Allah(SAW) say:
    - There lies within the body a piece of flesh. If it is sound, the whole body is sound; and if it is corrupted, the whole body is corrupted. Verily this piece is the heart [Bukhari & Muslim]



# PART 2: RELATIVE SCARCITY & ISLAMIC ETHICS



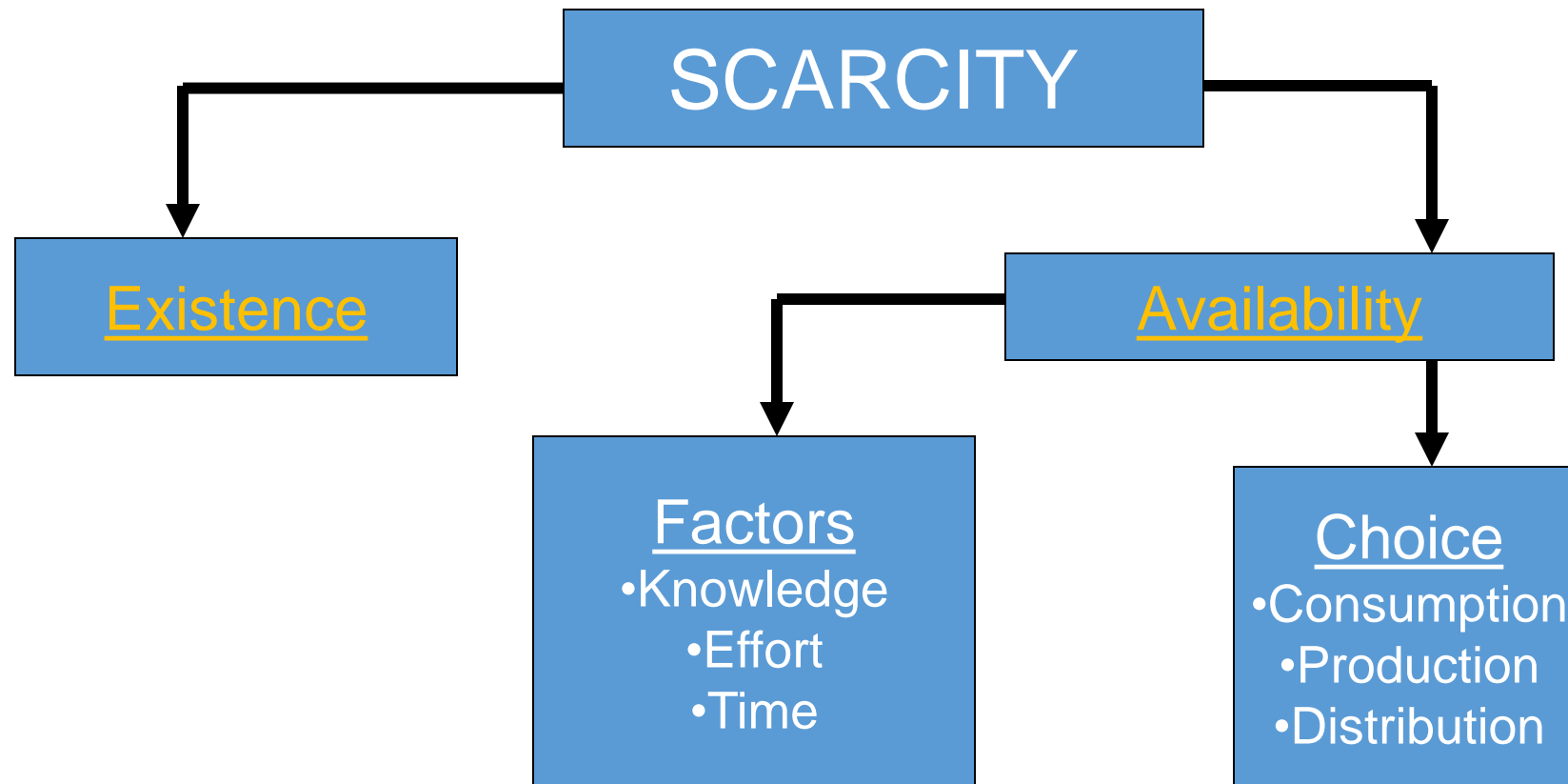
# SCARCITY AND CHOICE

- Concept of needs, wants and scarcity
  - Needs: what people require
  - Wants: normally more than what is being required
  - Scarcity: Unlimited wants, with limited resources
  - Demand: Willingness and ability to buy
- Scarcity
  - IE rejects absolute scarcity and accepts relative scarcity concept
  - Because of relative scarcity, societies choose their preferred rationing devise





# ISLAMIC VIEW ON SCARCITY



# EXISTENCE VS. AVAILABILITY

- “..., the inference that scarcity becomes nonexistence for economics, whether secular or Islamic, is rather eristic, to put it mildly. The catch is in the failure to realize that the fact of the existence of ample resources for human beings and others at all points in time and space is one thing, while their availability to individual or groups at a given hour and location and in the required quantities is quite another. It is not the existence of resources per se, but the state of their availability that lends meaning to the idea of scarcity as a cornerstone of economics. The availability of resources is an increasing function of knowledge-knowledge of their existence, of the ways to extract or obtain them, of their use and of their cost”

*Zubair Hasan (1995: 581), cited in Wahbalbari Amir Ahmed. 2009. The concept of scarcity and its implication on human behaviour: a Quranic perspective. Unpublished IIUM Master Dissertation*



# EXISTENCE- ABSOLUTE SCARCITY CONCEPT

- Unlike western secular economics, Islamic economics rejects absolute scarcity because:
  - It denies God Power concept underlined by “Verily, His Command, when He intends a thing, is only that He says to it, “Be!”- and it is!” (Yasin: 82)
  - Allah has provided resources in abundance-“And He gave you of all that you asked for, and if you count the blessings of Allah, never will you be able to count them. Verily! Man is indeed an extreme wrongdoer, - a disbeliever” (Ibrahim: 34)



# AVAILABILITY- RELATIVE SCARCITY

- Relative scarcity is related to a given present situation regarding the availability of resources
- Factors that affect the supply side are knowledge, time, and effort while factors that affect the demand side concerns about the choices that man makes in consumption, production and distribution decisions
- This situation where the supply side is lower than the demand side raises the issue of relative scarcity from the Islamic economics view



# AVAILABILITY- RELATIVE SCARCITY

- This problem can be resolved by improving knowledge, time, and effort on existing resources; and relook at consumption, production and distribution activities with the aim of putting less pressure on the presently available resources
- For instance, the reducing of consuming impermissible or luxurious goods and services would allow the channeling of resources to the production of permissible and more important types of goods and services
- The simple act to prevent wastage would also help in addressing the relative scarcity problem



# AVAILABILITY- RELATIVE SCARCITY

- Relative scarcity concept is **not unIslamic** since it does not deny:
  - Allah's power to provide sustenance to mankind
  - the fact that existing resources are in abundant
- It is our ethical action that can solve the problem of relative scarcity

*Had the people of those societies been faithful and mindful of Allah, We would have overwhelmed them with blessings from heaven and earth. But they disbelieved, so We seized them for what they used to commit*

*(al-A'raf: 96)*



# PART 3: SIGNIFICANCE OF *HOMO ISLAMICUS*



# ISLAMIC VIEWS ON MAN

- Arabic: *Insan* from root word “*nasiya*” means “he forgot”:  
*“and remember when your Lord brought forth from the children of Adam, from their loins, their seed and made them testify as to themselves (saying): Am I not your Lord? They said: Yes! We testify, lest you should say on the day of resurrection: ‘verily, we have been unaware of this’.” (al-A’raf: 172)*
- The best of creation, created good, comprising of body and spirit: *“Verily, we created man of the best stature (mould)” (At-teen: 4)*
- Given ‘*aql* and knowledge: *“And He taught Adam of all things” (al-Baqarah: 31)*





# ISLAMIC VIEWS ON MAN

## 3 universal roles of man:

- *Isti'mar*, 'abd and *khalifah*
- <https://www.youtube.com/watch?v=CVISHyinXi4>
  - 'When worlds wither away' - (watch 2:50-10:30)
- Implications of roles:
  - *Isti'mar*: overall human progress and civilizational building
  - 'Abd: expression of love towards God; man does not have the ultimate authority other than to follow the will of God
  - *Khalifah*: to rule self as preparation to rule nature, universe and other creations that are entrusted to man for his utilization, responsibility



# *HOMO ISLAMICUS* AS ECONOMIC AGENT

- “In Islamic economics, an Islamic man (*homo Islamicus*) is expected to fully commit to values prescribed in Islam...” Furqani (2017)
- “...an Islamic ethical position is very much prevalent in its conception of the economic agent (*homo Islamicus*) who is going to portray Islamic ethical teachings in economic actions” (Furqani, 2022)
- “...the altruistic and right-minded economic agent who is the proper subject of Islamic economics, who is always committed to Islamic values and concerned with social justice and welfare” (Susamto, 2020)



# *HOMO ISLAMICUS*- CODE OF CONDUCT

- Furqani (2022) clarifies:
  - *Homo Islamicus*' wellbeing (*maslahah*) lies in satisfying the material, psychological, moral, social and spiritual needs in a balanced and holistic perspective. This is possible if he is aware of his own nature (*ma'rifat al-nafs*), his role as an *'abd* and *khalifah* who has been assigned a task (*taklif*) and is endowed with a trust (*amanah*) to make the earth prosper (*ta'mir*), establish justice (*'adl*), and have God consciousness (*taqwa*) in preserving the rights and obligations (*huquq*) of others.



# CONVENTIONAL ECONOMICS VS. IE

	<i>HOMO ECONOMICUS</i>	<i>HOMO ISLAMICUS</i>
ENDS	Utility maximization	<i>Maṣlaḥah</i> maximization
MEANS	Self-interest	<i>Huqūq</i>
CARDINAL VIRTUE	Rationality	<i>Taqwā</i>

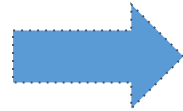


# PART 4: THE CASE OF ISLAMIC CONSUMER



ALL ISLAMIC MORAL PRINCIPLES ARE DEVELOPED BASED  
ON THE QURAN AND SUNNAH

Philosophy of  
Islamic ethics



Viewed as the  
recognition of human  
natural tendency and  
the ontological  
connection between  
the Creator and His  
creations



## THE PRINCIPLES OF CONSUMPTION IN AN ISLAMIC MORAL FRAMEWORK

1

### Permissibility

Everything permissible unless Shari'ah prohibits such actions or those things to be consumed

2

### Responsibility

Consumed in accordance with Shari'ah guidelines.

3

### Balance

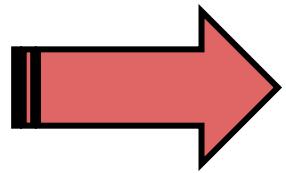
Tabdhīr (wasteful consumption), Isrāf (excessive consumption), Bukhl (miserliness consumption).

2

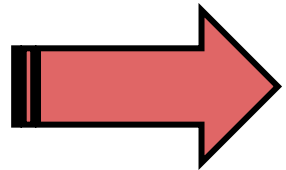
### Priority

Ḍarūriyyāt consumption, Ḥājiyyāt consumption, Taḥsīniyyāt consumption

## PRINCIPLE OF PERMISSIBILITY



All things are consumable (legally) and human beings can consume (freely) anything they like unless there is clear evidence from the texts that Shariah prohibits such actions



Boundaries are set not to restrict mankind but to ensure benefits are preserved and harms are avoided in consumption



## PRINCIPLE OF RESPONSIBILITY

- To have consciousness in consumption
- Wealth belongs to Allah and should be consumed in accordance with *shari'ah*
- Controls tendency for human being to pursue consumption in a wrong way
- Directed in the good cause, with *falah* (true success) goal in-mind

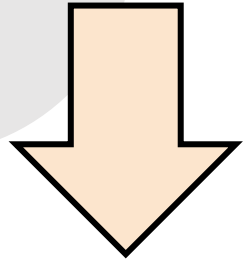


# PRINCIPLE OF BALANCE

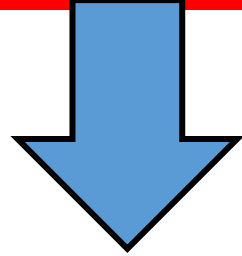
- ✓ Islam encourages ‘balanced consumption’
- ✓ Utilizing the resources should be done in balance way
- ✓ Over consumption (wasting, excessive, extravagance) is **not allowed!**
- ✓ “Allah has created the universe and the earth in a state of equilibrium, which itself is composed of innumerable equilibriums (Ar-Rahman: 1-9)”



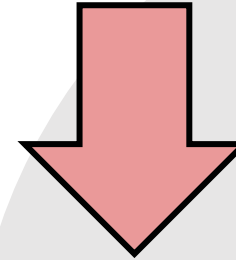
For the principle of balance,  
consumer must avoid:



*Tabdhir*  
Wasteful  
consumption



*Israf*  
Excessive  
consumption



*Bukhl*  
Miserliness  
consumption



If consumer follows the rules guided by *shari'ah*, the goal of attaining benefits and preventing harms (i.e. *maslahah*) can be achieved

3 types of consumption that should be put as a priority by in an Islamic economic framework :

- a) *Daruriyyat* consumption = essential
- b) *Hajiyyat* consumption = complementary
- c) *Tahsiniyyat* consumption = embellishment

## PRINCIPLE OF PRIORITY

1

## *Daruriyyat* consumption

The consumption of basic needs in order to maintain the survival of individuals for their religious and worldly affairs. An absence of *daruriyyat* consumption would lead to destruction of the individual.

2

## *Hajiyyat* consumption

The complementary consumption that would facilitate individual lives to achieve a better life. Without it will lead to hardship in lives.

3

## *Tahsiniyyat* consumption

The consumption that would improve the quality of life into perfection. Such as the consumptions promoted without any violation of good moral standards or an excessive or extravagant lifestyle.

# Principle of Priority



# PART 5: CONCLUSION



# CONCLUDING REMARK

- Relative scarcity is a universal economic problem and IE addresses it with Islamic ethics
- Economic decision making should be morally guided to fulfill the right roles of man and to improve comprehensive wellbeing
- Conforming to the principles of Islamic conduct serves the best interest of all economic agents and the economy



**THANK YOU &  
WASSALAM**

