

HUMAN NEEDS ARE UNLIMITED IN THE PERSPECTIVE OF SHARIA ECONOMICS (HOMO ECONOMICUS VS HOMO ISLAMICUS)

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Abstract

This research aims to explore the assumptions underlying the concept of Homo Islamicus in the context of modern society's shifting preferences, where the concept of Homo Economicus, which tends to disregard morality and focuses on self-interest in maximizing utility, falls short in explaining these phenomena. By examining Homo Islamicus in the modern context, this study seeks to identify assumptions more relevant to current economic conditions. The research adopts a library research method and utilizes content analysis as the data processing technique. The findings reveal that the concept of Homo Islamicus integrates moral and rational elements in a balanced proportion, oriented towards general welfare aligned with individuals' basic needs, guided by religious moral principles. Rational decisions made by Homo Islamicus reflect moral values based on fundamental principles such as Tawhid (Unity of God), Balance, Free Will, Responsibility, and Justice, enabling decision-making that considers these values. Thus, morality serves as the foundation of rationality in making choices within the context of modern Islamic economics.

Keywords: Human Needs, Homo Economicus, Homo Islamicus

Abstrak

Penelitian ini bertujuan untuk mengeksplorasi asumsi-asumsi yang mendasari konsep Homo Islamicus dalam konteks pergeseran preferensi masyarakat modern, di mana konsep Homo Economicus yang cenderung mengabaikan moralitas dan berfokus pada kepentingan diri sendiri dalam memaksimalkan utilitas tidak mampu menjelaskan fenomena tersebut. Dengan mengkaji Homo Islamicus dalam konteks

modern, penelitian ini berusaha untuk mengidentifikasi asumsi-asumsi yang lebih relevan dengan kondisi ekonomi saat ini. Penelitian ini menggunakan metode penelitian kepustakaan dan menggunakan analisis isi sebagai teknik pengolahan data. Hasil penelitian menunjukkan bahwa konsep Homo Islamicus mengintegrasikan unsur moral dan rasional dalam proporsi yang seimbang, berorientasi pada kesejahteraan umum yang selaras dengan kebutuhan dasar individu, yang dipandu oleh prinsip-prinsip moral agama. Keputusan rasional yang dibuat oleh Homo Islamicus mencerminkan nilai-nilai moral yang didasarkan pada prinsip-prinsip dasar seperti Tauhid, Keseimbangan, Kehendak Bebas, Tanggung Jawab, dan Keadilan, sehingga memungkinkan pengambilan keputusan yang mempertimbangkan nilai-nilai tersebut. Dengan demikian, moralitas berfungsi sebagai dasar rasionalitas dalam membuat pilihan dalam konteks ekonomi Islam modern.

Kata kunci: Kebutuhan Manusia, Homo Economicus, Homo Islamicus

Introduction

Humans have various needs that continue to evolve along with the advancement of civilization and technology. These needs are important to meet, as failure to meet them can have negative impacts, such as worsening illness or starvation. Human needs can be distinguished into two types of desires: first, desires accompanied by the ability to buy goods or services, which are called effective requests, such as someone who wants to buy a new smartphone and has enough money; Second, the desire without the ability to buy, such as someone who wants to own a luxury car but does not have enough money (Suhandi, 2023).

The principles of consumption in Islam include urgency, purpose, and ethics. Consumption is very important in human life, because without it, life cannot run. Islam teaches that consumption should be done reasonably for oneself, family, and close people, but avoid excessive consumption, even for basic needs. In an emergency situation, a person may consume prohibited foods, but only to cope with the emergency and without excess. (Almizan, 2016). Human needs are constantly evolving, and even if one wish is fulfilled, new desires will arise, such as the example of someone who acquires a motorcycle and then

wishes to own a better car. Needs refer to things that are important for physical and mental well-being, while desires are things that are desirable even though they do not threaten survival (Gunawijaya, 2017).

Economics encompasses the various activities carried out by humans on earth, which in turn gives rise to the economic motive of encouragement to meet one's needs. In everyday life, people often do not distinguish between needs and desires (Santika, 2022). Humans need a legal system to live their lives. In Islam, the law comes from the Qur'an, Hadith, and *ijtihad* with *Fiqh* become the result of *ijtihad* process (Dwiatmaja, 2024c). Economics, as a product of human thought, is inherently influenced by certain values. It is built on certain normative and philosophical principles. These values come from a worldview or ontological perspective, which is then interpreted and integrated into economic knowledge and curriculum. Differing worldviews can lead to philosophical and conceptual variations in economic thought, influencing practical behavior and policies. As a result, this can result in different interpretations of values, requiring different codes of ethics (Mursal, 2022).

Islamic economics is a system that has different characteristics, distinguishing it from other economic systems. The uniqueness of Islamic economics was evident from the beginning, with a focus on meeting worldly and spiritual needs. The facilities and infrastructure used to get the necessities of life in this world are not only oriented to earthly life but also closely related to the hereafter. A lifestyle that focuses only on economic needs is not allowed in Islam, as this will turn economic activities into the ultimate goal of life. On the other hand, lack of enthusiasm in economic activities is also prohibited, as it can reduce the status and dignity of Muslims, among others (Siregar, 2016). Therefore, there must be a balance between worship and the fulfillment of the needs of life. This principle emphasizes that the wealth that a person has is not entirely theirs; there is a part that belongs to others, which must be given through *zakat*, *Quick Request*, *Alms*, *Waqf*, and other acts of charity.

In contrast to the capitalist economic system, which is based on market freedom and results in inequality between the rich and the poor, the strong and the weak, as well as developed and developing countries, capitalism is not only seen as a fundamental shift in the formation of modern society but also as a civilization rooted in the ideology that emerged at the end of the Middle Ages. Capitalism reflects the "lifestyle" in people's social lives. As an economic system, capitalism is characterized by private ownership of the means of production and distribution, such as land and factories, with the aim of gaining an advantage in fierce competition. Some of the key features of the capitalist economic system

include: freedom in private property ownership, free competition, complete freedom, focus on individual interests, pricing as a regulatory mechanism, and minimal government intervention (Makmur, 2018). The main goal of economic activity in capitalism is to achieve profits. While profit generation is the primary goal, the way in which profits are achieved also reflects the principle of competition.

This research aims to explore the underlying assumptions of the concept of Homo Islamicus within the context of modern society's shifting preferences, where the traditional concept of Homo Economicus, centered on self-interest and utility maximization, fails to adequately address moral and ethical considerations. By examining the principles of Homo Islamicus, this study seeks to identify assumptions that are more relevant to contemporary economic conditions, particularly in balancing individual needs with collective welfare. Ultimately, this study intends to contribute to the discourse on modern Islamic economics by demonstrating how morality serves as the foundation for rationality in economic choices, offering a more holistic approach to addressing human needs in both material and spiritual dimensions.

Methodology

This study is a qualitative study that uses the literature review method to collect data. The data search process involves reading various literature relevant to the research topic. The data sources used include journals, both national and international, available online, books that can be accessed in both digital and print formats, and papers and other supporting documents. Once the data is collected, the analysis is carried out using content analysis, which aims to make reliable and valid conclusions while considering the context of the available information.

Results and Discussion

Homo Economicus

Concept *Homo economicus* is a theoretical construct that considers self-interest as the primary motive in all human transactions. This concept has been a long debate, involving various disciplines such as psychology, sociology, anthropology, history, and political science. Neoclassical economics, which focuses on ideas *Homo economicus*, includes theories such as consumer choice (utility maximization), corporate theory (profit maximization), and welfare

theory, which assumes that economic agents act according to patterns *Homo economicus*. As suggested by Trevor J. Barnes in 1988, this idea provides a methodological structure for neoclassical economics, simplifying economic events into rational choices that can be formally modeled (Barnes, 2015).

The concept of "economic man" originated with John Stuart Mill, although the term was introduced by his critics (Ingram, 1888). According to Mill in 1836, economics does not include all human traits that are influenced by social conditions or the entire human behavior in society. Economics is only concerned with individuals as beings who desire to acquire wealth and are able to assess the most effective ways to achieve it (Purnamasari, 2022). In his book *Essay on Some Unresolved Political Economy Questions*, Mill defined political economy as a science that focuses on individuals pursuing wealth, without considering any other desires or motives other than the accumulation of wealth.

An important point put forward by John Stuart Mill is that the characteristics of *Homo economicus* lie in actions that focus on the "desire to acquire wealth", not on the rules of action or the physiological functions of the organ. Thus, the rationality of economic beings is related to efficiency in using the most effective means to satisfy the desire for wealth. Moreover, only the individual himself knows what it takes to fulfill the desire, since no one other than himself has the authority to determine the "truth" of the desire or the way of achieving it. Work *Xenophon Oeconomicus* is one of the early definitions of economics, although it is limited to household management, while Plato's writings in *Republic* has a much greater influence on the development of economic theory and its history (Priyono, 2023).

Plato introduced the concept of political economy, in which individuals are part of a larger hierarchical order and can develop towards an ideal society. This concept is similar to Adam Smith's idea of the "invisible hand," which states that if each individual pursues self-interest, then it is as if there is a force guiding society towards optimal outcomes. Smith developed this idea by seeing that the activity of cultivating the land for the family's needs evolved into the search for wealth through the accumulation of profits. Efficiency in the economy means choosing the most appropriate way to achieve those goals (Priyono, 2023). According to Smith, although human beings are driven by many factors, in trading activities, self-interest is the main motivation. It developed into the core concept of economics, where *Homo economicus* (rational individuals who pursue wealth for personal gain) became central figures in classical and neo-classical economic thought. *Homo economicus* is a rational human being who seeks to maximize

utility or personal satisfaction with complete knowledge, and this shapes the way we talk about the economy as well as influence our way of life.

Humans do not always behave rationally. *Homo economicus* is an individual who can think and act rationally, discipline his or her mind, and take advantage of opportunities to meet their needs. Wealth and happiness are top priorities, with other considerations following (i. Efe Efeoglu, 2018). This creates a world full of materialistic and greedy individuals, who transform into large corporations with the goal of maximizing profits. People and business are intertwined, and society serves as the main driver of economic activity, the impact of which is felt by all parties. *Homo economicus* Refers to individuals who make decisions based on economic calculations, and in the business world, decisions are often driven by the principle of profit and loss where losses occur if inputs exceed outputs. At a basic level, a service-based market system develops to meet the needs and sell products in the market (Rafsanjani, 2016).

The wider the marketing reach of a product, the greater the potential profit that can be obtained. One way to increase labor productivity is to utilize the latest technology that can increase efficiency. In economics, the concept of *Homo economicus* It is often understood quantitatively in terms of profit and loss. However, the deeper meaning of this concept is the human tendency to pursue actions that effectively benefit individuals. Over time, *Homo economicus* It has been understood by many as a label for those who place a high priority on wealth and self-interest, although this behavior is often perceived negatively in the context of social life. A deeper understanding of the term "economy" suggests that the meaning of this concept is often interpreted narrowly by the general public (Maharani, 2016).

From this explanation, it can be concluded that a deep understanding of a concept can produce a positive meaning that becomes a guideline for life. Concept *Homo economicus* It was originally put forward by John Stuart Mill and his predecessors among 19th-century economists and can be traced back to Adam Smith who had a broader perspective on this concept. At first, *Homo economicus* It is not an accurate description of human nature, but rather a model of economic behavior used to understand the economy of the time. However, in recent decades, the concept has come under criticism as it is considered increasingly irrelevant as a human image. Adam Smith's Perspective on *Homo economicus* Much differently, portraying individuals as social beings seeking policy and realizing that favorable outcomes in economic activity are not the only thing that

matters. Economic activities must also be aligned with social principles, such as politeness, honesty, generosity, and prudence (Bwalya, 2020).

Homo Islamicus

Homo Islamicus refers to humans created by Allah, who are required to carry out all activities in accordance with Islamic law, including consumption. In Islamic economics, all human activities aimed at good are considered acts of worship, including consumption. Therefore, consumption must be carried out with halal and good goods, while still practicing frugality (saving), giving alms (infaq), and avoiding gambling, intoxication (khamar), excessive uncertainty (gharar), and speculation. This means that human consumption behavior, especially for Muslims, must avoid extravagance, luxury, waste, and debt. Halal consumption involves consuming halal goods, obtained through legal means, and used in legal ways, so as to bring benefits and blessings (barakah) (Mahdarina, 2019).

Homo Islamicus was a caliph (servant of Allah on Earth) who embodied the three main roles of man. First, Homo Islamicus is an 'abd (servant of God) who was created to worship and obey all the commandments revealed by Allah through His messenger, the Prophet Muhammad SAW. Second, Homo Islamicus is a trustee who holds a divine mandate to manage resources responsibly, ensuring those resources are used to meet social needs and fill gaps in society, such as the role of homo economicus but with a moral and spiritual foundation. Third, Homo Islamicus promotes ukhuwah (brotherhood), which reflects the relationship between humans and fellow creatures. In Islam, man bears a social responsibility not only to his family but also to all of humanity (Furqani, 2022).

Homo Islamicus, in essence, is a prosperous human being, also referred to as the Falah of Man. Homo Islamicus or Human Falah represents an individual who will never experience a split personality. In it, the balance between the spiritual and physical dimensions, the mundane and the immortal, as well as the individual and social dimensions, is well maintained. Furthermore, Homo Islamicus is oriented towards ribhun (profit or profit). However, the benefits they seek are not limited to material gains, such as achieving or exceeding targets or recording outstanding financial gains. More importantly, these advantages are obtained through the right and virtuous way. It reflects the dual purpose of worldly success and eternal salvation (Akmal, 2014).

Islam encourages humans to use their intelligence and reasoning, making them rational beings. However, their abilities are not limited (Dwiatmaja, 2024b). In other words, humans are imperfect and have limitations as creatures created

by God. Humans are also governed by emotions, not just logic. Emotions are often irrational, which means that logical rationality cannot always be followed. Therefore, Islam provides guidelines for humans to carry out economic activities. Human beings inherently aim to maximize material welfare. Islam recognizes this drive for material possessions but limits it to values such as avoiding excess, extravagance, and pleasure. Islam views individual utility as interconnected with the utility of others, emphasizing the importance of social responsibility and balance in consumption.

Homo Islamicus is the ideal human concept in Islam that makes economic activities part of worship to Allah. He acts based on the values of monotheism, justice, balance, and social responsibility. Economic globalization, with all its opportunities and challenges, can be used by Homo Islamicus to create a more ethical, just, and sustainable economic system, by basing every decision on the principles of monotheism and balance (Syamsudin, 2017).

The Principle of Tawheed as the Basis of Homo Islamicus

Tawhid as a Spiritual Motivation: Homo Islamicus believes that all economic activities must be carried out as a form of obedience to Allah. In globalization, this is applied by ensuring that economic activities such as international trade, investment, and global business do not violate sharia rules. **Examples:** Avoiding the practice of usury, gharar (uncertainty), and maysir (speculation). **Global Impact:** Increasing trust in cross-border economic relations by applying the values of honesty and transparency. **Monotheism as a Guide to Global Ethics:** In a global world that often ignores morality, Homo Islamicus plays the role of a pioneer in economic ethics. He ensured that profits were not obtained by harming other parties. **Examples:** Promoting halal and thayyib products in the global market and encouraging sustainability-oriented trade.

The Principle of Balance in the Activity of Homo Islamicus

Homo Islamicus balances material and spiritual aspects by ensuring that economic activities benefit individuals, society, and the environment, such as implementing Sharia-based CSR. He also maintains a balance between local and global interests by supporting fair international trade. Additionally, he strives to achieve social and economic justice through equitable wealth distribution using instruments like zakat, infaq, alms, and waqf, for example, by establishing a global Islamic financial institution based on the values of justice and sustainability.

The role of homo islamicus in managing the challenges of modern economic globalization at this time:

- a. Tackling Exploitation in Trade: Homo Islamicus ensures international trade does not harm developing countries by supporting fair regulation and protecting workers' rights.
- b. Reducing Global Economic Inequality: With the principle of balance, Homo Islamicus supports the redistribution of wealth through zakat and global philanthropic initiatives.
- c. Safeguarding the Environment in the Global Economy: Homo Islamicus encourages policies that preserve the environment according to his mandate as caliph on earth (Amirudin, 2014, p. 12).

Difference between Homo Economicus and Homo islamicus

In Islamic economics, the individuals involved are not limited to those who have technical expertise such as language and communication, marketing, accounting, and planning (Kusumadewi, 2022). They must also have in-depth knowledge of Sharia and be competent in Islamic jurisprudence (fiqh) related to economics. The ability to interpret economic verses from the Qur'an is very important. In addition, these individuals must show commendable character (akhlaq) and have a strong understanding and belief in monotheism, the concept of the oneness of God in Islam. The combination of professional expertise and deep religious knowledge created the figure known as homo islamicus, who played a crucial role in applying the principles of Islamic economics holistically.

Under the capitalist system, homo economicus is seen as a central figure in the modern economy, acting as an entity that pursues individuality and makes use of everything related to basic human motivations, namely self-interest and desires. In the context of capitalism, homo economicus is positioned to harness the potential of the individual and the factors that are considered important based on self-interest and desire (Wibawanti & Jaharuddin, 2022).

Homo economicus represents rational individuals whose economic model is designed to raise living standards and achieve personal satisfaction. This means that homo economicus realizes the fulfillment of personal interests as a means to achieve broader economic goals. This individual is understood as someone who acts with logic and rationality in the pursuit of personal gain, while maximizing their own utility. Thus, homo economicus is the prototype of man in capitalist economic theory, consistently pursuing self-interest and striving to achieve optimal satisfaction, all in pursuit of desired economic results (Firmansyah, 2021).

From the perspective of capitalist economics, there are five basic assumptions that form the basis of the economic system and its view of humanity. First, humans are considered to be inherently rational beings (Amiral, 2017). Second, material progress is considered the main goal in life. Third, each individual tends to maximize their material prosperity. Fourth, humans are believed to have the knowledge and ability to make the best decisions for themselves. Fifth, the utility or satisfaction obtained by one person does not depend on the utility or satisfaction obtained by others. These assumptions form the basis of the capitalist economic framework and its human paradigm, emphasizing individual rationality, material goals, and the freedom to make economic decisions.

Homo islamicus refers to the behavior of individuals who are guided by Islamic values. This concept includes at least two key values (Huda, 2021). First, personal interests, which are also recognized in the concept of conventional economics. In conventional economics, humans are seen as inseparable from their self-interest and have the right to pursue the pleasures and enjoyments of life. However, unlike the capitalist economy, which puts self-interest at the center of people's lives, Islam offers a more balanced approach. Islam is very concerned about the welfare of individuals and society as a whole. From an Islamic perspective, every individual is expected to behave selflessly and align all their economic actions with religious norms. This means that while individuals have the right to pursue personal well-being, they must also consider the impact their actions have on others.

Islam teaches that economic action must be based on justice, equality, and goodness, by prioritizing collective welfare over personal interests. The concept of homo islamicus describes an individual who combines morality, ethics, and social responsibility in economic life. In the Sufism paradigm, the human soul is divided into three levels: al-nafs al-ammarah (a soul that is inclined to materialism and worldly pleasures), al-nafs al-lawwamah (a soul that begins to realize moral consciousness but is still fluctuating), and al-nafs al-muthmainnah (a perfect soul, reflecting the ideal homo islamicus). At this highest level, individuals achieve intellectual, emotional, and spiritual balance, living a life with integrity, wisdom, and kindness consistent with the teachings of Islam.

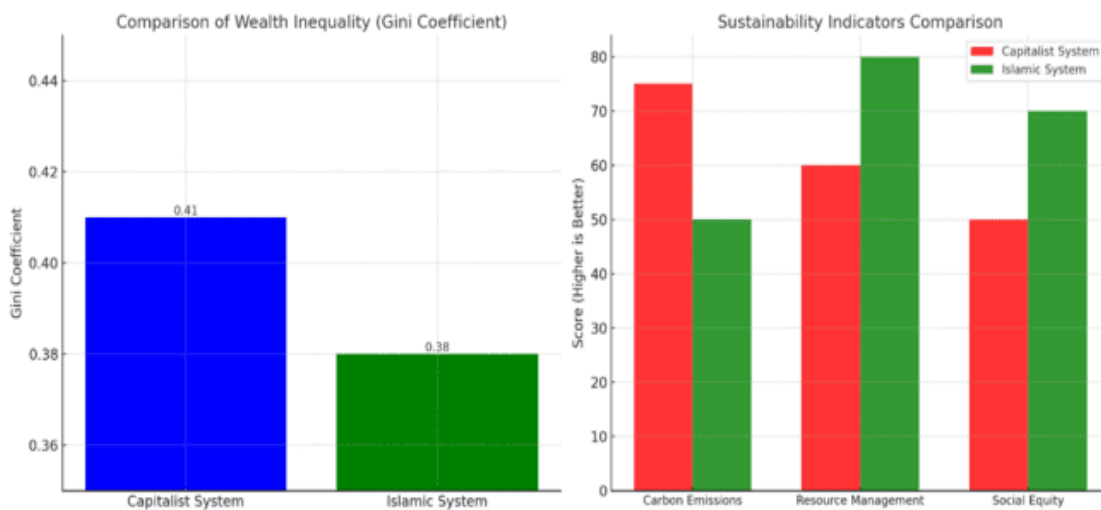


Figure 1. Comparison Between the Capitalist Economic System and The Islamic Economic System

Here is a detailed explanation of the statistics shown in the Figure 1 (Fauziah & Sarkani, 2023):

Wealth Inequality Rate (Gini Coefficient)

The Gini Index is a statistical measure for income or wealth distribution inequality. Values range from 0 (perfect equity) to 1 (total inequality). The findings are: Capitalist System (0.41), the Gini value shows that the distribution of wealth in the capitalist system tends to be uneven, where wealth is more concentrated in certain groups, as in the case of countries with free markets. Islamic System (0.38), a lower Gini value reflects a more equitable distribution of wealth, which can be caused by redistribution mechanisms such as zakat, alms, and waqaf in Islamic economics. Relevance: The Islamic system is designed to promote social justice through principles such as *Tawhid* and *Maqasid Shariah*. Zakat, for example, serves to balance the gap between rich and poor.

Sustainability Indicators

Sustainability is measured based on several aspects:

a. Carbon Emissions

Capitalist (75): The capitalist system often drives carbon-intensive economic growth due to industrialization and dependence on fossil energy. Islam (50):

Islamic principles emphasize balance with nature and encourage the sustainable use of resources, resulting in lower carbon emissions.

b. Resource Management

Capitalist (60): The capitalist system sometimes exploits resources without considering long-term sustainability, which can lead to environmental degradation. Islam (80): Islamic economics teaches responsible management of resources, including the wise use of resources according to the principle of *istislah* (benefit).

c. Social Equity

Capitalist (50): This system often generates social inequality due to its focus on the accumulation of individual wealth. Islam (70): The Islamic system integrates values such as solidarity and social responsibility, which are reflected in the redistribution of wealth through Islamic financial instruments.

Statistical Conclusion of the Capitalist System: It tends to generate social inequality and environmental damage because it is oriented towards maximum profit without regard to moral or spiritual values (Nasrul et al., 2024). Islamic system: Offers a more equitable and sustainable approach through the application of sharia principles, such as balance (*Mizan*), justice (*ADL*), and social responsibility. These statistics reinforce the argument that the application of the concept *Homo Islamicus* not only creates social balance but also supports economic and environmental sustainability. This evidence indicates that the Islamic system can be a solution to the problems often faced in the capitalist system.

Human Needs from the View of Capitalist Economics and Sharia Economics

In Islam, consumption is closely related to faith, which is an important basis in one's life (Kurniati, 2016). Faith influences the way we think, act, and shape personality, including determining consumption patterns, both in terms of quantity and quality, which includes material and spiritual satisfaction. Consumption patterns in the market are also influenced by the individual's level of faith, reflecting a balance between worldly needs and spiritual values. When one's faith is strong, consumption and production are usually driven by three main factors: *maṣlahah* (common good), fulfillment of needs, and responsibility. This makes economic actions in line with moral and ethical values. Conversely, if faith is weak, economic decisions tend to be influenced by egoism, materialism, and self-interest, instead of concern for the common good (Gunawijaya, 2017).

When one's faith is weak, economic motivation is dominated by individualistic values and focuses on materialism, causing consumption and production to be directed only at self-interest without considering social or moral impacts. Islam teaches that the fulfillment of human needs must be in harmony with the purpose of creation, which is to worship Allah. Desire (orgasm) is given as a natural motivation, but it must be controlled within the framework of worship and the teachings of Allah. Thus, the fulfillment of needs is not only to satisfy desires, but also to gain God's pleasure and strengthen spiritual relationships (Sami'uddin, 2019). Allah the Almighty says in Surah Ali Imran, verse 14:

ذُيِّنَ لِلنَّاسِ حُبُّ الشَّهَوَاتِ مِنَ النِّسَاءِ وَالْبَنِينَ وَالْقَنَاطِيرِ الْمُقَنْطَرَةِ مِنَ الذَّهَبِ وَالْفِضَّةِ وَالْخَيْلِ الْمُسَوَّمَةِ
وَالْأَنْعَامِ وَالْحَرْثِ ۗ ذَلِكَ مَتَاعُ الْحَيَاةِ الدُّنْيَا ۗ وَاللَّهُ عِنْدَهُ حُسْنُ الْمَاٰبِ

Translation:

"What is beautified for mankind is the love of what they want from women, children, piles of gold and silver, branded horses, cattle, and cultivated land. That is the pleasure of worldly life, but in the sight of God is the best recompense."

Islam sets consumption limits beyond halal and haram, considering factors like cleanliness, health, appropriateness, and moderation. It prohibits extravagance and arrogance in consumption while providing comprehensive guidelines for food, beverages, and other commodities. Certain items, like alcohol, are forbidden due to their harmful effects on moral, spiritual, and physical well-being. Despite any perceived benefits, Islam emphasizes that the harm outweighs them. Thus, Islam promotes wise consumption, balancing physical and spiritual needs while avoiding anything harmful or destructive (Melis, 2015). Islamic and capitalist economics have different basic principles. Capitalist economics, based on secularism, separates spirituality from worldly affairs and focuses on materialism, profit, and efficiency. This system is anthropocentric, prioritizing human interests without regard to moral or spiritual values. In contrast, Islamic economics is based on the Qur'an and Islamic teachings, integrating moral, ethical, and spiritual values in every economic activity. Islam views economic activity as a form of worship that balances the fulfillment of worldly needs and spiritual responsibilities, in contrast to capitalism which only prioritizes personal gain.

Capitalism aims to develop economic science that is objective, free of moral values, and universal. Based on positivism, this system ignores the spiritual aspect and focuses on empirical data, with individual satisfaction measured through the concept of utility. The indifference curve describes consumer

preferences and the balance of goods to maximize satisfaction. On the other hand, Islamic Economics, through the concept of Monotheistic Economics, places Sharia rules as the main guide. All economic factors are considered to belong to Allah, so economic activities must reflect obedience to Him, integrate material and spiritual aspects, and maintain a balance in life according to the teachings of the Qur'an, as affirmed in the Qur'an Surah Ali Imran verse:

وَلِلَّهِ مَا فِي السَّمٰوٰتِ وَمَا فِي الْاَرْضِ ۗ وَاِلَى اللّٰهِ تُرْجَعُ الْاُمُوْرُ

Translation:

"What is in the heavens and what is on the earth belongs to God, and all things are restored to God."

In Islam, humans are allowed to seek wealth through economic activities, as long as it is in accordance with Allah's rules that aim to maintain the welfare of mankind. Allah provides sustenance for every creature who strives earnestly, but economic prosperity still requires hard work and effort. Islam divides satisfaction into two: consumptive satisfaction and creative satisfaction. Consumptive satisfaction comes from the fulfillment of material needs, which provide physical energy to support daily activities. Consumption according to Islamic teachings helps maintain health and physical strength. Meanwhile, creative satisfaction arises when the energy obtained from consumption is used to contribute positively and innovatively to society. In this way, ethical consumption not only satisfies material needs, but also promotes productivity and spiritual attainment, creating a balance between worldly needs and spiritual goals (Dwiatmaja, 2024a).

Muslim economists see *maṣlaḥah* as a more objective concept, similar to the concept of utility in a capitalist economy. Although *maṣlaḥah* has an element of subjectivity, the difference does not make it ambiguous as is often the case with the concept of utility. There are several reasons why the concept of *maṣlaḥah* is considered better than usefulness, especially when viewed from the perspective of benefits and goodness for consumers (Fadlan, 2024):

- a. Objectivity and Justice: The concept of *maṣlaḥah* focuses on efforts to achieve the good and benefit of the whole whole, both for the individual and society. It prioritizes moral and ethical principles derived from Islamic law (*sharia*), providing a more stable and equitable foundation compared to utility, which is often relative and dependent on individual preference.
- b. Long-Term Benefits: *Maṣlaḥah* considers the long-term impact of any economic decision, not just short-term material benefits. This means that the

fulfillment of needs is done in a way that not only satisfies immediate desires but also considers long-term spiritual and social well-being.

- c. Balance of Needs and Values: The concept of *maṣlaḥah* integrates moral and ethical aspects in the fulfillment of needs, ensuring that economic decisions are not only based on personal interests but also on the common good. This helps prevent harmful or unfair behavior, which may not always be factored into the concept of utility.
- d. Sharia Guidance: Based on divine law, *maṣlaḥah* provides clear and measurable guidance on how to manage and meet needs ethically. It offers a consistent and purposeful framework that helps reduce the ambiguity often associated with subjective judgments in capitalist economies.

Islamic economics emphasizes the balance between individual needs and social interests and is based on sharia moral and ethical principles. The goal is to achieve holistic well-being by integrating material and spiritual aspects. In contrast, capitalist economies focus on meeting material needs, efficiency, and profits, often ignoring social impact. In capitalism, social contributions are realized through taxes on public facilities, while in Islam, obligations such as *zakat* are directly aimed at helping others, reflecting moral responsibility towards the welfare of society (Nurbaeti, 2022).

Islamic economic principles integrate material and spiritual aspects to create balanced and sustainable prosperity. Islam encourages efforts to meet the needs of life, but the wealth obtained must be set aside in part for the benefit of the community through *zakat*, *infaq*, and alms. *Zakat* is an obligation to purify property, support community empowerment, overcome poverty, and reduce social inequality. *Infaq* and alms complement efforts to create social balance and solidarity (Dwiatmaja, 2024b). Islamic economics is designed to achieve justice between individual and collective rights, in accordance with the principles of the world and the hereafter, physical and spiritual. With the guidance of the Qur'an, this system ensures economic activities meet the needs of individuals while maintaining social responsibility, creating a just and harmonious society.

Conclusion

The capitalist economic system prioritizes fulfilling human needs through individualism and rationalism, allowing individuals to freely pursue their interests. It emphasizes production efficiency and profit maximization, with materialism playing a dominant role. Economic growth is driven by expanding production and increasing efficiency through capital and labor investment, boosting income and

purchasing power. However, moral and ethical aspects often receive little attention, as the focus remains on efficiency and profit, sometimes overlooking social values and responsibilities.

Capitalist economics often prioritizes efficiency and profit over ethical and moral considerations, particularly in resource acquisition and use. In contrast, the Islamic economic system balances material needs with moral and ethical principles, emphasizing social responsibility and equitable distribution. Guided by Sharia, it follows the principle of *maṣlaḥah*, seeking goodness in both this world and the hereafter by adhering to halal and haram guidelines. Islam views human needs holistically, encompassing both worldly necessities like food, clothing, and shelter, as well as spiritual well-being. This balance ensures that fulfilling needs considers long-term individual welfare and ultimate happiness in the afterlife.

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