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The Individual in the Islamic İktisâd: An Analysis on the Behavioral Economics Perspective

İslam İktisâdında Birey: Davranışsal İktisâd Perspektifinden Bir Analiz

İbrahim Cevizli*

Abstract: Neoclassical economics (Mainstream) has universalized the individual on the basic assumptions of rationality and selfishness. It has defined its purpose as maximizing its utility. However, recent studies show that the definition of rational individual is insufficient to explain the real person. As a matter of fact, while behavioural economics justifies people's cognitive biases at this point, Islamic iktisâd, which is based on Islamic morality, puts forward the moral structures of individuals. When evaluated from this point of view, it is seen that behavioural economics and Islamic iktisâd agree that individuals are not rational. In this study, the rational individual phenomenon in mainstream economics, the individual phenomenon in behavioural economics and the individual phenomenon in Islamic iktisâd were analysed based on literature review, respectively. From the study, it was analysed that the moral structure suggested by Islamic iktisâd as the basic principle when defining human beings would move individuals away from the assumption of rationality. This result occurred as a contribution of Islamic iktisâd to behavioural economics, as it emphasized the sense of morality, which is a cognitive bias according to behavioural economists.

Keywords: Islamic İktisâd, Behavioural Economics, Islamic Individual, Rational Individual, Morality.

Öz: Neoklasik iktisat (Ana akım) bireyini akılcılık ve bencillik temel varsayımları üzerinden evrenselleştirmiştir. Amacını da faydasını maksimize etmek olarak tanımlamıştır. Ancak son zamanlarda vuku bulan çalışmalar artık rasyonel birey tanımlamasının gerçek insanı açıklamada yetersiz kaldığını göstermektedir. Nitekim bu noktada davranışsal iktisat, insanların bilişsel yanlılıklarını gerekçe gösterirken, İslam ahlakını esas alan İslam İktisadı da bireylerin ahlaki yapıları gereği rasyonellik varsayımından uzak davranış sergilediklerini öne sürmektedir. Bu açıdan değerlendirildiğinde davranışsal iktisat ile İslam iktisâdının bireylerin rasyonel olmadıkları konusunda hemfikir oldukları görülmektedir. Bu çalışmada ilk olarak, ana akım iktisadın rasyonel birey olgusu ve bu olguya karşı geliştirilmiş itirazlar incelenmiştir. Sonrasında davranışsal iktisattaki birey incelenmiştir. Son olarak da din ile birey arasındaki ilişki ile İslam iktisâdındaki birey analiz edilmiştir. Çalışmanın amacı, ana akım iktisadın birey tanımlamasında esas alınan rasyonellik varsayımının her zaman geçerli olamayacağını göstermektir. Çalışmada yöntem olarak literatür taramasına dayalı bir analiz gerçekleştirilmiştir. Çalışmadan, İslam iktisâdının insanı tanımlarken temel ilke olarak öne sürdüğü ahlaki yapının bireyleri rasyonellik varsayımından uzaklaştıracağı

* Dr., (Bağımsız Araştırmacı)

ORCID: 0000-0002-1516-5081, ibrahimcevizli@hotmail.com

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analiz edilmiştir. Bu sonuç davranışsal iktisatçılara göre bilişsel bir yanlılık olan ahlak duygusuna vurgu yaptığı için İslam iktisâdının davranışsal iktisada bir katkısı olarak vuku bulmuştur.

Anahtar Kelimeler: İslam İktisâdı, Davranışsal İktisat, İslami Birey, Rasyonel Birey, Ahlak.

Introduction

The individual in Islamic iktisâd is examined in the context of rationality from the perspective of behavioural economics within the frame of this study. The research was carried out as an analysis based on literature review. Thus, the importance of the moral structure, which is ignored by mainstream economics (Neoclassical economics) in the definition of the individual, but also has an effect on economic decisions, and which Islamic iktisâd considers as the basic principle when defining the individual, is emphasized. In this context, first of all, the historical course of the rational individual in mainstream economics is handled, and its point in modern times is shown. Afterwards, the objections raised against this individual are mentioned. Then the individual in behavioural economics is analysed. Finally, the relationship between religion and the individual and the individual phenomenon in Islamic iktisâd are analysed. As a result, Islamic economics, which is based on Islamic morality in defining the individual and thus revealing that people cannot be rational as the mainstream economics assumes, has contributed to behavioral economics, which argues that individuals cannot be rational.

While Islamic iktisâd is specified in the study, it is stated as “Islamic iktisâd” rather than Islamic economics. Because the word “iktisâd” is of Arabic origin and derived from the word “kasd”. The word Kasd means “the way is right, to be moderate and just in both words and deeds, to stay away from extravagance and stinginess, to stay away from wastefulness and stinginess, to be thrifty and thrifty, to hit, to intend something and to turn”. (Gül, 2010: 27-78). The word İktisâd (اقتصاد) means “to act in moderation, to be thrifty and to stay away from extravagance, tephrite, waste and stinginess” (Manzur, 2009). With these meanings, this word is used in the same way in Turkish, too (Doğan, 1996: 613, 733).

It is seen that the individual phenomenon in mainstream economics reached its current form in the 18th century. The 18th century is the period when the belief that selfishness is due to the natural nature of people is dominant. At the same time, it is the period when the idea that “there is no legitimate authority to consult outside the mind” that started in the Western world and later turned into a social project with prevailing of the enlightenment. This dominant thought spread to the epistemology of the period and caused dogmatic thoughts to be excluded from the scope of scientific knowledge. In this period when selfishness was accepted as the natural structure of people and rationality came to the fore, the first action of economics, which is a social science, was to universalize the individual on the basic assumptions of rationality and selfishness. It has defined its purpose as maximizing its utility. Thus, “Homo Economicus” has occurred.

In this period (in the 18th century) when positive and normative knowledge distinction was made, economics chose to imitate the science of physics, which was the dominant science of the period, and sought a balance as in physics. As this was the case, it was inevitable that the language to be used would be mathematics. For this reason, it aimed to have a more robust methodological basis by increasing its predictive power. Even Economy has explained the behaviour of individuals by mathematical operations. However, the transformation of mathematics into a goal rather than a tool caused the attraction of mathematical operations to focus on predictive power rather than reality. In short, economics has become a technical science by becoming instrumental and abstract. Advances in other sciences have been ignored. The real person has been forgotten. In such a powerful paradigm, the difficulty of analysing the economic individual from a different perspective is obvious (Yılmaz, 2009, pp. 64-99).

It is seen that the debates on the positivist understanding of orthodox economic theory, which sees human as a mechanical entity, has increased after the recent developments. Especially the science of psychology says that real human beings are versatile creatures, unlike mainstream economic theory. Therefore, it is not possible to express the behaviour in a particular formulation. It is no longer sufficient

to define the rational individual phenomenon as an opportunist person who deals only with marginal rates of substitution, conducts cost-benefit analysis, and seeks maximum benefit by being condemned to a very limited theoretical assumption against reality. The reason for this is that in many parts of our daily life, including our economic decisions, we behave far from the assumption of rationality. At this point, behavioural economics suggests that people can move away from the rationality assumption by citing their cognitive bias. Islamic iktisâd, just like behavioural economics, claims that people move away from the assumption of rationality by justifying their moral structure because the intentions of people with moral senses are also good. Good behaviours emerge from well-meaning people. Good behaviours lead to good deeds. People who do righteous deeds move away from selfishness and display altruistic behaviours. When the individual in the Islamic iktisâd is analysed, it is seen that they are individuals who prioritize solidarity and social values rather than considering only their own benefit as in the assumption of rationality. Behavioural economics and Islamic iktisâd make an effort to make the definition of real person more valid by drawing attention to the issues that mainstream economics ignores in individual analysis. It is also seen that Islamic iktisâd contributes to behavioural economics by highlighting the sense of morality, which is a cognitive bias.

The Rational Individual In Mainstream Economics

Mainstream economics, as mentioned in the introduction, basically attributes two characteristics to the individual: rationality and selfishness. Undoubtedly, the rationalism feature has settled in the definition of the individual in economics with the spread of this idea to economics in the period when reason dominates. As a matter of fact, to the prevailing thought in the West since Aristotle, the individual has a “logos” (Schrag, 1992: 17). Rationality is of Latin origin, derived from the word “ratio” and it is a philosophical term. (Kutlu, 2013: 37). Rationalism, on the other hand, is a philosophical teaching based on rationality. According to this teaching, the only criterion of truth and reality is mind. This philosophy later turned into a social project with the enlightenment. As a matter of fact, in this period when mind was dominant, positive-normative knowledge distinction was made and dogmatic knowledge was excluded from the scope of scientific knowledge for it was not objectively tested, the way for economics to be a positive original science, like other sciences, was to get rid of dogmatic thought and become a mind-based science. In this period when rationality (mind) became prominent, one of the first actions of economics, which is a social science and whose main purpose is human, was to attribute the assumption of rationality to the individual. The feature of rationalism, that is, the way people act with their mind is a real situation. Nobody denies this. However, the effect of the period in taking data as data in the definition of the individual appears to be an undeniably important factor.

Another characteristic that mainstream economics attributes to its individual is selfishness. If we analyse the course of this feature before settling it in economics, it is necessary to take a look at “The Fable of the Bees” written by Bernard Mandeville in 1714. The fable is based on a depiction of the conditions in England at that time with a beehive. The most important feature of the hive is that it is full of immoral people. The biggest immoralities that stand out are arrogance, dishonesty, and luxury. Of course, when the fable is first read, the reader expects that the hive people will be disturbed by this bad course and recover. However, contrary to what is expected, the result is that although arrogance and luxury addiction are sins, it is seen in the story that they increase consumption and bring about employment, thus enhance the welfare of the hive people. In the story, virtue, honesty, and thrift are shown as the enemies of national wealth. It was explained that if these had prevailed and immorality had disappeared, occupational groups would have been closed, and as a result of the increase in unemployment, bees would have migrated (Mandeville, 1970: 17). In this story, Mandeville claimed that selfishness is the natural tendency of individuals, that immorality can be preferred if it serves this behaviour, selfish impulses will benefit be beneficial to the society.

Another main actor contributing to the rational economic individual’s (Homo Economicus) reaching its present form is Adam Smith. Considered as the founder of modern economics, Smith is also a professor of ethics. In 1759, exactly 17 years before he wrote his famous work “The Wealth of Nations”, he addressed his work titled “The Theory of Moral Sentiments”. In this work, Smith expressed

his thoughts on human feelings and behaviour. In this book, Smith found Mandeville's view in the story of bees dangerous and he put forward the principle of "sympathy" as the main determinant of the behaviour. In fact, here Smith tried to define the present phenomenon of "empathy" with the concept of sympathy. Smith argued in his work that sympathy was the main drive, unlike Mandeville. In his work *The Wealth of Nations* in 1776, seventeen years after *The Theory of Moral Sentiments*, Smith never mentioned sympathy. Instead, he defined exchange and self-interest as the basic principle. It is seen that the dominant economic view today is fed by Smith's second work.

The third actor is Jeremy Bentham. Bentham explained the individual acting with the motivation of self-interest with the philosophy of utilitarianism in his work titled "An Introduction to the Principles of Morals and Legislation" written in 1789. The utilitarian philosophy states that people tend to seek pleasure and escape from pain (Bentham, 2017: 5-17). Bentham transferred the utilitarianism philosophy to the discipline of economics. Utilitarian philosophy has been found interesting by the science of economics because it brings to the fore the inherent immoralities of people with an autonomous discipline functioning independently. For this reason, economics has included this philosophy among its value judgements. Thus, economics has tried to give a scientific quality to its own science (Irzik ve Buğra, 1998: 34-41).

As a result of all these developments, Homo Economicus, which is an individual of economics, has emerged with its modern definition. The name of Homo Economicus in mainstream economics appears as a rational economic individual (Demirel & Artan, 2016: 1-28). These developments, which are instrumental in the emergence of the rational individual, have led to the legitimacy of the simple human definition of the mainstream economics on rationality and selfishness. With Bentham's transfer of utilitarianism philosophy to economics, the aim of the individual was accepted as maximizing his utility. However, these assumptions caused the individual to become independent from time and space and to be deprived of cultural influence. This situation also caused the individual to ignore other issues. Regardless of the economic and social flows, this assumption has been taken as data. In order to create a universally valid model, the individual is abstracted from reality (Kamber, 2018: 168-199). This definition of the individual of economics has been depicted in various periods with various analogies. For example, Keynes likened the economic individual to "an intelligent civil servant", while Mirowski called it "cyborg" with an algorithm that processes information. Homo Economicus of the dominant economic view emerges as a person who has a mind like "Einstein's", a memory like a computer's, and a will as much as "Mahatma Gandhi's" (Mirowski, 1991).

In the light of these assumptions, mainstream economics has formed its theory and policies. However, nowadays, it is seen that the debates about the validity of the theory and policies developed by mainstream economics are increasing. As a matter of fact, the first starting point of these discussions is seen to focus on the concept of rational individual, which constitutes the main core of mainstream economics. However, defining the human being as a phenomenon that is only selfish, acts with mind and only tries to maximize the benefit in behaviour, makes it difficult to understand the real person. Some objections have been raised against this situation. These objections are mentioned in the next section.

Criticism Against The Rational Individual

Under this heading, the objections to the rational individual phenomenon mentioned earlier have been examined. Thus, it is aimed to raise awareness of the missing aspects of mainstream economics in the definition of rational individual. In this context, it is seen that the first criticism of the rational individual assumption was made by Simon in the 1950s with the concept of "bounded rationality". According to Simon, the decision maker in the boundless rationality assumed by neoclassical theory (mainstream economic theory); has a consistent and comprehensive utility function. He knows all the alternatives when making a choice. He calculates according to the expected benefit value of alternatives. Hence, the decision maker chooses to maximize the expected benefit. In the assumption of boundless rationality, there is no need to understand any psychological concept other than the wishes and desires of people. Nonetheless, bounded rationality requires also some other things that mainstream economics

ignores, such as the psychological state of individuals and their sociological background, in order to understand behaviour. Simon argued that against the full rationality of neoclassical understanding real life can only be rationally limited. Because in his opinion, individuals' preferences are related to their behavioural knowledge (Simon, 1983: 18).

The assumption of rationality, which has become the backbone of mainstream economics after Simon, continues to be debated by many sciences. Indeed, Kahneman emphasized the cognitive constraints of individuals and said that mainstream economics ignored important factors in the background by focusing on easy causes. Kahneman also cites cognitive bias as the reason people move away from rationality (Kahneman, 2004: 430).

As a matter of fact, according to Demir, describing only one aspect of human in the definition of the economic individual leads to the perception that the human being consists only of the economic person. However, in reality, human also contains psychological, social and cultural effects. Therefore, mainstream economics' effort to explain the individual with only one dimension makes it difficult to understand the real person (Demir, 2013: 94).

Rational economic individual; It is an ideal typing in which there are exceptions in life but they are not big enough to break the plinth and even generalization is made as if they do not exist. There are two main reasons that keep this ideal typing away from rationality: constraints and errors. Constraints; Incomplete future predictions, incomplete information, emotionality, change, insufficient will, while individuals' moral feelings, errors; are mental tendencies that can be permanent. If the constraints and mental barriers are removed, only the assumption of rationality can be realized (Bénabou & Tirole, 2003: 137).

Although individuals have the ability to act rationally, they often cannot use this ability. The pre-acceptance of rationality as a reality rather than a capacity, and considering only this among many mechanisms, has become the problem of the Orthodox movement. Humans are not passive and autonomous creatures. Social life is internally dynamic, has a complex structure and renews itself in a continuous change. For this reason, the subject of social science cannot be reduced to the behaviour that shapes individuals and the conditions in which people live. For instance, the change in the spoken language is an inevitable object of such a change in society, even though no special effort is made to change it (Lawson, 1997: 159-161).

Instead of seeing the dominant paradigm as absolutely correct, it should be the main goal to re-analyse it to cover new developments and increase its validity. Nowadays, studies are continuing that the rational individual assumption should be enriched. As a matter of fact, according to Islamic iktisâd, the most fundamental deficiency in the rational assumption may be that the world is dealt with only in terms of matter, and a behaviour pattern of the individual accordingly may have been attempted. This situation, of course, has led to the neglect of the moral structure, which has a significant impact on behaviour. According to the Islamic iktisâd, this understanding also constitutes an obstacle to social welfare as according to the Islamic iktisâd, man has a spiritual dimension as well as his material dimension. Even the words of the Hazrat Prophet (PBUH.), "Islam is a good morality, I was sent to complete this good morality" also point to this. At this point, when the source of morality is asked, the first answer to this question is undoubtedly religion (Demir, 2013: 94). It seems that economists' interest in ethics has increased in the last fifty years. In addition, at this point, Demir and Sen are also working on building a bridge between economics and morality.

Islamic iktisâd, when criticizing Homo Economicus, uses different nomenclatures to emphasize different aspects of this ideal type. Undoubtedly, the most prominent of these are; Homo Islamicus, Muslim, Tebaa/Tâbi, The Mature Human (al-Insân al-Kâmil) and the Caliph of the Earth. As a matter of fact, according to Asutay (2011: 52), Homo Islamicus man should act with the mind and heart shaped by Islamic values. For Homo Economicus, the needs are endless, there is no such thing as waste, and the more goods are consumed, the better. However, for Homo Islamicus, it is necessary to consider its surroundings in order to be better after its own needs are met. For Homo Economicus, it is not possible

to consume halal or haram goods or to do halal or haram acts. For Homo Islamicus, the main thing is to win hearts. While the period of time that Homo Economicus will maximize his self-interests is limited only to this worldly life, for Homo Islamicus the afterlife is also included.

In short, in mainstream economics, in accordance with objectivity, it is aimed to reveal neutrality by using an objective method. Thus, care was taken not to go beyond an objective frame while defining the individual. However, Islamic iktisâd criticizes mainstream economics at this point and points out that human beings cannot be completely objective, but should be biased since it contains values. The benefit / profit understanding of Homo Economicus is individual and hedonistic to the Islamic iktisâd. Thus, the understanding that “the greatest number is the greatest happiness” prevailed in the Homo Economicus assumption. However, considering the current economic problems (unfairness of income distribution, poverty, unemployment, hunger, etc.), it is seen that this individualist understanding negatively affects social welfare contrary to what is claimed. In this direction, instead of pure benefit / profit accounting, a fair and balanced system that can contribute to social welfare should be preferred. Consequently, instead of describing the individual only with the material tendencies, including the spiritual values in the analysis will further increase the validity of the definition of the individual.

Individual in Behavioral Economics

Under the influence of positivism, economics has endeavoured to sit on a more solid methodological basis by increasing its predictive power by abstracting human behaviour and internalizing mathematical language. Focusing on mathematical methods in a methodological search, economics ignored the developments in the science of psychology and even completely broke with this science. However, it was possible to re-analyse economics from a psychological perspective, with psychologists like Kahneman expressing their views on overlooked cognitive and psychological situations. Since Kahneman is a psychologist, arguing that the definition made for the economic individual is not realistic, he said that people may not act only with the drive of interest and in some cases give up their interests. In fact, Kahneman said that when economics first met the phenomenon of rational individual, he was frightened because as a psychologist he received a professional training that people cannot be like this (Kahneman, 2003: 162-168). Thus, although he is a psychologist, some crucial of his studies were concerning behavioural economics. The pioneering experiments to show this situation are the ultimatum game and the dictator game.

In the game Ultimatum designed in 1982, there are two parties, the sender and the respondent. The subjects in the sending group is given \$ 10. The sender is told that he can send as much (all and none) of this money as he wishes to the respondent. If the sent amount is not rejected by the respondent, the game will be over, with everyone taking their winnings. Under the rational human assumption, the sender is expected to set aside \$ 9 (as much as possible) and send the remaining \$ 1 to the respondent. The respondent is expected to accept the incoming sums, acting on the logic that everything positive is good rather than none. However, two results were obtained from the experiment. The first is that people care about other people and can give up their own earnings to help. In the experiment, the senders sent an amount between 40% and 60% to the respondent. This result emerges as contrary to the rationality assumption. The second result from the experiment is that the respondent gave up his earnings by refusing small sums to punish the sender. The answer here, by not acting with the logic that every positive amount is better than nothing, did not exhibit the expected rational human behaviour. Respondent refused small amounts (below 20%) just to punish the sender (Güth, et al, 1982: 367-388). The behaviour of both groups (sender and respondent) appears as contrary to the rationality assumption.

The dictator game is slightly different form of the ultimatum game. In this game, unlike the dictator game, the respondent's right to refuse is taken away. According to the rationality that occurs in this way, the sender is expected not to send any amount to the other party because the respondent has no choice but to accept whatever amount received (including zero). However, in this experiment, it was seen that the senders did not display a strategic behaviour as in the rationality assumption during sharing. It has been observed that half of the subjects send or sent? approximately 10% to the other group (i.e. the respondent) (Forsythe, 1994: 347-369). This result obtained here cannot be explained with the

rationality assumption. Here, the subjects, acting with an altruistic understanding, sent a positive amount to the respondent. Thus, a behaviour far from the assumption of rationality emerged.

Behavioural economics does not completely reject the rational human assumption. This assumption, according to behavioural economics, is of great importance in understanding many situations. However, behavioural economics says that the assumption of pure rationality cannot always be valid, citing people's cognitive biases and other psychological findings as its justification. At the same time, it emphasizes processes rather than results by expressing that psychological and biological factors are important in understanding and explaining human behaviour and that decisions, preferences and behaviours may differ. Thus, it is aimed to increase the explanatory power of some theories of mainstream economics by subjecting them to a deeper analysis.

Religion and Individual Relationship

Before moving on to the relationship between economics and the individual, it would be meaningful to refer to Stiglitz's words "Many things about economics are not primarily economic, but rather ideology and religion". The fundamental role of economics is particularly the general validity of its assumptions. However, since the historical process, mankind has tended to explain everything from wars, diseases to family life by referring to religion. The role of religion in society has been intensely discussed, especially after the Protestant revolution. MaxWeber has revealed that religion plays an important role in shaping economic activities and that true religion will provide an extraordinary effect in influencing economic development, albeit indirectly (Sincer, 2017: 22).

MaxWeber mentioned the existence of social strata that determine economic morality in almost every religion (Ülgener, 2006: 30). As a matter of fact, according to Ülgener, while there has been an enterprise mentality on the scale of rationalization in the West since the 16th century, in the Ottoman Empire, first of all, there was a blockage in the domestic market, then the feudal mentality and morality, and the Sufi discipline prevailed (Ülgener, 1981: 131). Ülgener has stated that it is wrong to divide history into pre-capitalist and capitalist periods. The effort to win has always been present. However, the real problem is how these efforts, the ambition to acquire, follow (Ülgener, 1981: 195). Ülgener made a research similar to Weber's research on the formation of capitalism in his mentality studies to explain why capitalism did not develop in the Ottoman social structure. As a result, he attributes the reason for the failure of capitalism to emerge in the Ottoman Empire to the Batini Sufism understanding, which advises to be content with little by abandoning the world. The West and the Ottomans are separated here. While the Ottomans preferred irrational ways, the West in general continued on its way by creating a capitalist law and organization. In this way, an independent employer class was formed in the West, unlike the East. In the East, on the other hand, the employer was engaged in trade not to be a real capitalist, but to "find glory, honor and dignity" (Ülgener, 1981: 199).

When we examine the relationship between religion and economy in the context of the individual, with the formation of ethics in Christianity, especially in Protestantism, the human figure who works hard and keeps itself away from all kinds of consumption and hedonistic activities has developed. The Protestant entrepreneur has been working continuously throughout its life. Devotion to worldly affairs is generally counted as a guarantee of religious devotion. Before Protestantism, the Christian individual could not find such a ground of devotion in worldly economic events, but after Protestantism, it adopted a lifestyle consisting of the success of worldly activity in everything because he worked with its family and with it. Seen in this way, rationality is a very religious point of view for someone who believes in Protestantism (Akdoğan 2012: 43). An economic individual was initially defined as a requirement of the examinations made when Western liberal economic teachings were taken into consideration. This definition of the individual plays a core role in the formation of economic theories.

In return, the Islamic individual should consider the world and the afterlife (Dilek, 2017: 637). While conveying the rules that Islam brought to economic life, as in the previous monotheistic religions, these rules were tied to some moral values (Yeşilyurt, 2014: 32). In the chapter of Nisa, it is clearly said, "Do not eat your property among yourselves by false means, unless you have a way of trading by mutual

consent". "Have you performed the Friday prayer, disperse over the earth and seek your share of Allah's bounty" it ordered. The legitimacy of acquiring goods and possessions in Islam occurs in two ways. Obtaining through unwarranted ways, Using the obtained goods and income to support the person himself and his relatives without opening their hands to others, charity, aid, etc. must meet its obligations (Ülgener, 2006: 84).

In fact, until the birth of economics in the West, the word economics was used in a wide range of lexical meanings, including the mode of behaviour of human beings, economic activities, general religious life, belief in all matters, and following the middle way between waste and negligence, away from overdoing and tephrite. It is not used as a technical term in the current sense (Hammad, 1996: 160-161). Ibn Kayyim (751/1350) summed up the traditional meaning of the word very well. According to his information, economics is the opposite of stinginess and emerges from two good habits of justice and wisdom. The person is cautious in terms of not spending justly and wastefulness; with wisdom, he places each of them in their proper position. Thus, iktisâd emerges, the middle ground between these two bad habits (Kayyimi'l-Cevziyye, 1975: 237). After the science of economics was born in the West, the word "iktisâd" was used and conceptualized as the equivalent of the concept of "economy" because it expresses a moderate path in expenditures and financial affairs (Heykel, 1986: 266-267).

As we have seen, it cannot be denied that religion has a great influence. The founding element of these factors in Muslim societies is Islam. Islam raises the morale of the individual, beautifies the morality of the individual, even in the most desperate moments, is a source of the customs and traditions of the society, and lays down the basic principles that enable the social life to be lived in peace and tranquillity. With these features, Islam becomes the most fundamental element of the mechanism governing human economic decisions and preferences.

It can be thought that the term Islamic iktisâd arose from a need. Common denominator in Islamic iktisâd is Islam. The Quran, the main source of Islam, is closely related to economic life. As in other areas of life, in the field of economics, takes on a demonstrative role. Therefore, it has some demands. All kinds of correct and accurate business in the Quran are expressed with the derivatives of the word "salah" (righteousness). The word sâlih, which is the intermediate form of the word salâh, means human, other living and inanimate creatures, human deeds, words and behaviours, words and concepts can be an adjective. For example, sound deeds, proper and correct words, good deeds, as expressed in the word righteous, who do their deeds soundly and their deeds (words and behaviours) properly the person is also qualified as righteous (Zebîdî, 1965: 1969). Likewise, righteous (sâlih) person who is good and right, who does decent and useful things, who does his job soundly, and who acts in accordance with the situation and the benefit. In one verse, it is mentioned that good (good deeds), one of the focal points of the understanding of Islamic economics, are righteous deeds. [They] who believe in Allah and the Judgment Day, command good, forbid evil, they compete in good deeds. Here they are among the righteous (Karaman et al., 2016: 63).

In Islam, everyone is responsible to their own conscience, society, state, humanity, other living beings, the environment, and the universe. But because he appointed man as the caliph on earth and made the things in the universe suitable for him, he is more responsible to Allah than all of them. Meeting the minimum needs of the poor, earning unfairly social activities such as prevention fall under the responsibility of individuals, even more society, economic institutions and the state. Responsibility requires the public not to remain indifferent to such conscientious situations and to implement the principle of social justice. This means that the state develops social policies, makes planning, uses the necessary tools to spread the income to the base, in short, intervenes in the economic course when necessary. In "Laissez Faire" capitalism, there is no ideal of social justice that can be reached with the slogan "Don't mix, the world finds its way".

Islam, the Quran in particular, is with other areas of life there is a demand for legitimacy related to the field of economics as well. Often in verses Issues such as property, earnings, interest, debt, and mutual aid, waste are mentioned. These are directly related to the applications in the field of economics. Most important, The Quran is consistent and integrity with each other, the moral, legal, economic etc.

has an intellectual spring and principles that nourish its expansions. All these It forms the intersection between Islam and the Qur'an and economics. At the same time, these show that the Quran contributes to the understanding of Islamic economics in terms of thought, principle and practice.

According to the Christian thought, man is “sinful” and his nature is on “evil” from birth. This idea also appears in secular emphasis in modern times. This understanding has a pre-acceptance that morality will not change. However, according to the general acceptance in the Islamic world in the same period, human beings were “innocent” by birth and were born with a pure nature. Human nature is inclined to both good and evil. The choice between these two constitutes the secret of man's test in this world. Therefore, it is possible to change and develop the nature (temperament and morality) of human nature, which depends on the trinity of self, mind and spirit, through education. At this point, the religion of Islam, as in the heavenly religions before it, also ascribes certain moral values to the rules it has brought to economic life. When evaluated from this point of view, it is seen that the behaviour of the individual in Islam does not have a state of rationality as in mainstream economics.

Individual in Islamic İktisâd

The most basic criticism of the definition of rational individual in mainstream economics is that it evaluates human behaviour in one dimension. This dimension often appears financially. This unidimensionality in behaviour causes the moral structure to be ignored, as is the case with other factors. When evaluating in the context of rationality, gaining profit by means of false means, if it will maximize profits, is not considered in terms of the way it is made. However, this situation in the Islamic iktisâd constitutes an obstacle to the formation of social welfare since, to Islamic iktisâd, man has a moral dimension in his economic behaviour subject to Islamic belief. Therefore, human being dealt with by the Islamic iktisâd does not only act out financial concern, but also observes morality in his behaviour as people who observe morality are well-intentioned. Well-intentioned people do righteous deeds. Undoubtedly, religion has a great influence on the formation of morality. Actually, morality is a whole formed as a result of some behaviours, attitudes and beliefs imposed by religions. Therefore, religion has an effect on individual behaviour. Individual behaviours also have an impact on economics.

Moral norms accepted to exist in humans within the frame of Islam tend to distance Homo Economicus from the assumption of rationality. Islam sends individuals to economic life after educating them with Allah's orders, prohibitions, and advice. Individuals who applied these principles of the Islamic iktisâd were instrumental in the formation of “Ahi System” in the Ottoman (Islamic) economic system. However, in the Western world, enlightenment and the concepts of rationality and selfishness are based on. Thus, the Homo Economicus of capitalism has emerged (Tabakoğlu, 2015). While in a capitalist society man directs his behaviour through material motives, in an Islamic iktisâd man behaves as a moral person who has absorbed the synthesis of normative Islamic principles.

Generally, people want to be prosperity and felicity in life. For this reason, it can be said that people have two goals in life; to attain prosperity and felicity. While the purpose of reaching prosperity is material, the goal of attaining felicity has a spiritual quality. Mainstream economics assumes that you will be prosperous if the economic situation is good by considering only material indicators. However, if the ultimate goal is to be happy, it is necessary to start from micro (i.e. human) before macro scale (Zaim, 2005: 109-117).

Since Homo Economicus's basket of needs contains mostly material elements, morality is not sought in its behavior. Therefore, it is free to the extent permitted by the legislator and makes its choices according to the material provision. However, real people have spiritual needs besides their material needs' rationality. Thus, the moral structure of the human being at the time of election affects his behaviour and causes altruism to occur. For this reason, the spectrum of real human behaviour extends between selfishness and altruism. In fact, human beings have a heterogeneous range of behaviours. Selfishness and altruism are the innate biological tendencies of humans. However, it emerges as a form of behaviour that takes the shape of the environment and differs in each person according to his upbringing and culture. As the values and perceptions of one's own benefit and the benefit of others

differ, the state of selfishness and altruism also differs (Demir, 2013: 94). At this point, individual methodology conflicts with Islamic thought. The reason is, according to Islamic thought, real people have both selfish and altruistic tendencies, rather than merely selfish tendencies. However, the Western economy only deals with the selfish side. On the other hand, Islamic iktisâd emphasizes that the basic factor in the transformation of this selfish person, which the West deals with, into other human beings, is the understanding of Islamic morality.

According to behavioural economists, morality, a cognitive bias, is an emotion. Emotions have a significant impact on individual behaviour, including our economic decisions. As a matter of fact, in a previous study (Cevizli & Bilen, 2021); the effect of emotions on rational economic decisions was investigated in an experimental study. In the experiment the subjects were divided into two as the experimental group and the control group. Both groups were subjected to a preliminary preparation process before the experiment started. Simple mathematical operations were made to the subjects in the control group during the preparation process. The experimental group was read a real-life emotional story during the preparation process. The subjects who completed the preparation process were asked to assume that they had a monthly income of 2350 TL. Later, they were asked how much of this income they would like to transfer to the private pension system. In the experiment, it was concluded that emotions have an effect on our economic decisions and diverts people from the assumption of rationality. To the rationality assumption, the subjects should not be affected by other things, including their mood at the time of economic decision, and should give their answers to this assumption. As for analysing this result from the perspective of the Islamic iktisâd; to the Islamic iktisâd, people have Islamic moral structures. According to behavioural economists, this situation leads to the formation of a sense of morality in the individual. Emotions have an impact on decisions, including economic situations. Emotions distract individuals from the assumption of rationality. For this reason, the sense of morality will have an effect on decisions, including in economic situations, and will distract individuals from the assumption of rationality. When viewed from this perspective, Islamic iktisâd emerges by drawing attention to the sense of morality that mainstream economics ignores. In this respect, it can be said that Islamic iktisâd contributes to behavioural economics by emphasizing a cognitive bias such as moral sense. Islamic iktisâd says that people tend to be altruistic by moving away from the assumption of selfishness, which is the basic element of the assumption of rationality, thanks to a sense of morality.

According to Islam, man was sent to the world to make the world beautiful and livable. In the Islamic economic approach, a person with moral values does not only think of himself. Man considers the interests and welfare of the whole society. He is not selfish, is sharing and fair. When appropriate, he keeps the public interest and welfare ahead of its own interests.

Conclusion

The rational individual debates have continued since the emergence of modern economics. The point where the rational individual has reached today; he is selfish, uses his mind, works with mathematical and statistical analysis only to maximize utility. This definition is not enough to describe the real person. This situation was tried to be overcome to some extent by transferring new developments in psychology to economics through behavioural economics. Thus, the concept of individual in economics has become more versatile. In defining the individual, Islamic economics also supports behavioural economics and emphasizes that individuals cannot be rational. While behavioural economics justifies this with cognitive biases, Islamic economics argues that people are a requirement of Islamic moral structures. In the Islamic iktisâd, the individual does not consider only his own benefit as in the assumption of the rational individual. Due to its moral structure, it prioritizes cooperation and social values. In that case, the individual offered by Islamic iktisâd may not be rational, but as behavioural economics claims, may be bounded rational. Our emotions, which are ignored by mainstream economics and are a cognitive bias, and have an impact on our decisions. Our moral sense, which is formed as a result of our moral structures, has an undeniable effect on our decisions, including our economic decision moments, for the moral structures of people cause people to move away from the assumption of selfishness by means of the emergence of altruistic structures.

Morality appears as a whole formed as a result of some behaviours, attitudes and beliefs by religions. Regardless of the income level of the individuals who make up the society, the way to act with the feeling of conviction is through their moral structures. If this feeling is strong, an auto-control system will be established. Rather than maximizing pleasure and satisfaction, the individual in the Islamic iktisâd strives to benefit by focusing on the limitless spiritual pleasure provided by avoiding haram, consuming halal, avoiding excesses such as waste and stinginess, sharing with those who are more needy, protecting, and taking care of them.

Homo Economicus has the potential to exhibit all kinds of legal actions that are formed within capitalist economics, in order to maximize profit and benefit. However, the individual in the Islamic iktisâd does not have a consumption function like Homo Economicus. In the Islamic iktisâd, the individual has a moral value system that controls all economic relations in the society. Mainstream economics is result-oriented and looks at its consequences to evaluate an economic program or policy. Mainstream economics is not concerned with the program or the process in which the policy is implemented. In this contrast, Islamic iktisâd fiercely emphasizes the process. For this reason, it seems almost impossible for Islamic economics, which guides Islamic morality in the current economic structure, to be successful. This situation causes the moral values of Islam to remain outside of this system.

Capitalism has almost made its homo-economics forget feelings of altruism and empathy. Instead, it imposed selfishness and self-interest. According to the 2019 World Multidimensional Poverty Index, there are 1.3 billion multidimensional poor people. Almost half of these are children. This situation is increasing day by day and is far from being sustainable. Islamic iktisâd claims that this situation will be overcome in societies with moral education. As a matter of fact, one of the duties assigned to moral people is to make the world beautiful. For this reason, the moral individual also has an abstinent side regarding the consumption of scarce resources in the world, especially global warming. Whatever a person feeds on, it comes out of that person. For this reason, moral behaviours will occur from people fed with moral education. Ethical behaviour will enhance many things, from poverty to global warming. Islamic iktisâd is based on ethics. At this point, it is seen that Islamic iktisâd contributed to behavioural economics, which suggests that people cannot be rational by justifying their cognitive bias. At this point, it is seen that Islamic iktisâd contributes to behavioural economics, which suggests that people cannot be rational by justifying their cognitive bias, rather by emphasizing the sense of morality, which is a cognitive bias. While defining the human, the moral structure ignored by mainstream economics should be considered as the basic principle. Policies and practices should be developed to strengthen this structure. However, the individual who emerges in this way will contribute to more social welfare than the individual whose hedonistic and individual characteristic stands out.

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