**ISLAMIC ECONOMICS AS A DISCIPLINE: CLASSIFICATION OF DEFINITION AND CLARIFICATION OF SUBJECT MATTER**

**Dr. Hafas Furqani**

Lecturer, Faculty of Islamic Economics and Business,

Ar-Raniry State Islamic University, Banda Aceh, Indonesia

Email: hafas.furqani@ar-raniry.ac.id

**ABSTRACT**

Definition for a discipline or body of knowledge is necessary. Islamic economics, being a new discipline in the formation is challenged for a definition that would explain its nature, scope and subject-matter. The definition of Islamic economics would clarify the object of study, its subject matter and indicate the boundaries of its reach. Furthermore, the definition of Islamic economics also would like to inform readers about its underlying norms and aspirations as well as the objectives it intends to serve. Scholars have proposed various definitions of Islamic economics since the idea to have an Islamic economics emerged in the 1970’s. This paper attempts to investigate the approaches taken in developing definitions of Islamic economics, to observe the level of development in defining Islamic economics as a body of knowledge and to classify the various definitions proposed by scholars. The classification of definitions of Islamic economics proposed by scholars will be attempted in order to see the different point of view among the scholars in conceiving Islamic economics’ subject matter, as well as to see the shades of thought in determining the Islamic economics’ object of study.

Keywords: Islamic economics, definition, subject-matter, discipline, body of knowledge

1. **INTRODUCTION**

Islamic economics as a body of knowledge is required to be defined properly in order to be called as a discipline. Scholars have attempted to propose definition of Islamic economics in order to clarify the nature, subject matter, approach and scope of Islamic economics as a discipline. The differences of opinion could be seen, in general, on the appropriate nature and object of study of Islamic economics that reflects an initial stage of discourse where consensus is yet to be achieved in Islamic economics.

This paper aims to investigate the level of development in defining Islamic economics as a body of knowledge by exploring various definitions of Islamic economics proposed by scholars. This would enable us to understand the various definitions of economics proposed by scholars in the evolution of economics discipline and comprehend the reasons and justifications on how the definition of Islamic economics should be conceived. Those definitions will be classified in order to see the different point of view among the scholars in conceiving Islamic economics, as well as to see the shades of thought in determining the subject-matter of Islamic economics.

1. **DEFINITION OF ECONOMICS: EVOLUTION OF THE DISCIPLINE**

In general, the purpose of defining a science is to clarify the object of study, its subject matter, to indicate the boundaries of its reach and to inform readers about the objectives it intends to serve. That definition would determine, in a broad way, a science’s content and scope as well as its underlying norms and aspirations (Addas, 2008: 102).

The definition of economics itself has been formed through a long and rigorous intellectual process. It is developed in pace with the development of discipline itself and is attained through a gradual process of knowledge accumulation by means of a creative interplay between a progressive conceptualization and the corresponding empirical and rational verifications (Bakar, 2010: 429).

However definitions are, an *ex post* attempt in the sense that it is formed to impose order upon a body of work that has developed as economists have sought to tackle diverse practical and intellectual problems (Backhouse & Medema, 2008: 720). In other words, the body of knowledge is usually structured first prior to the definition. Likewise, the consensus for a specific definition of economics is only achieved when the discussion has reached a certain stage of development and usually follows the development of the science itself, particularly in term of subject-matter and methodology. Therefore, as the discipline changes and grows, so definitions would normally change (Robbins, 1945).

Economics, prior to being presented as a distinct discipline, was called ‘political economy’. The shift of study from *political economy* to *economics* was attributed to Alfred Marshal (1890: 1) who defined economics as “*a study of mankind in the ordinary business of life; it examines that part of individual and social action which is most closely connected with the attainment and with the use of the material requisites of well-being*.” The definition is highlighted further by J.B. Clark who defined economics as “*the criterion and use of wealth*”, Cannan “*the explanation of the general causes on what the material welfare of human beings depend*”, Leon Walras the “*relations between persons and things*”, Beveridge “*the study of the general methods by which men cooperate to meet their material needs*”, and Pigou “*that part of social welfare that can be brought directly or indirectly into relation with the measuring rod of money*” (Lowe, 1983: 6, Dewett & Varma, 1990: 2, Howson, 2004: 416).

Marshal’s definition has been used by the scientific community for such a period of time, until the definition is then challenged by Lionel Robbins (1945: 16) who defines economics as “*the science which studies human behavior as a relationship between ends and scarce means which have alternative uses.*”Robbins develops his definition of economics by criticizing Marshall’s definition of economics. According to Robbins, Marshal’s definition is a *classificatory* conception of economics that marks off certain kinds of human behavior; economic and non-economic, and designates only the behavior directed to the procuring of material welfare to be the relevant subject matter. This classificatory conception of economics is not appropriate to define the nature of economics.

Therefore he proposed a new definition which is *analytical* as it does not attempt to pick out certain *kinds* of behavior, but focuses attention on a particular *aspect* of behavior, the form imposed by the influence of scarcity. Robbins’ definition puts scarcity and choice, instead of material wealth and human quest for it, at the center of economic analysis. Any kind of human behavior that demonstrates the scarcity aspect falls within the scope of economics. All phenomena such as prices, production, and rent, are all associated in some way with scarcity and human behavior is conditioned on all sides by this ubiquitous fact of scarcity (Howson, 2004: 427).

Robbins’ conception has not only successfully captured the previous conception of economics science, as it is subsidiary to the main fact of scarcity, but at the same time broadening the scope and subject-matter of economics as any kind of activity involved in the ‘relinquishment of other desired alternatives’ whereby it is not only concerned with a certain type of social behavior as implied by the notion of economics as exchange or economics as the cause of material welfare as Marshal conceived.

Robbins’ definition also has paved the way for the economic scientific community to a consensus on the subject-matter of study and the framework of discussion as well as approach of study. After Robbins, economics was widely acknowledged as the study of scarcity or the study of choice which could be summed up as the study of human behavior in making choices arising from scarcity to maximize his self-satisfaction. This consensus, according to Backhouse and Madema (2008: 721-2) came in stages. Paul Samuelson’s *Foundations of* *economic Analysis* (1947) captured Robbin’s message to define economics was about scarcity but he choose to define the subject in terms of what, how, and for whom, that is as concerning the production and consumption of goods and services. Lipsey’s *Introduction to Positive Economics* (1963) perceives *scarcity* as ‘one of the basic problems encountered in *most* aspects of economics, not the entire subject. The focus of economics is then moved to aspect of behavior, more specifically that of rational choice, which could be applied not simply to production and consumption choices, but to all of human behavior. In 1960’s, economics become increasingly conceived as the *science of choice*, without reference to a particular social domain, even, at times, without reference to scarcity.

However, Robbins’ definition is also being challenged by numerous scholars. The Austrian economist, Kirzner (1976) criticizes Robbins’ conception of economics as one that *reduces economics to a formal and mechanical means-end calculus*. As *ends* are *given*, this view will overlook the crucial element of economics, namely *that agents act purposefully* to improve their position. Just as Robbins claims that Marshal’s definition rules out many kinds of economically relevant analyses, the same goes to Robbins’ definition. Kirzner (1976) puts example in the case of entrepreneurship and competition. Since the means and ends are already given in Robbins’ framework, and there is no scope for analyzing how they are determined, the competition loses its meaning in an equilibrium framework. Competition is reduced to a technical tool convenient when solving mathematical models, but nothing is said about competition as a process.

Skousen (1991: 14) also criticizes the definition as misguided, unfocused, or incomplete, leaving students confused and uncertain at the beginning of the course. This is because what has been conceived by Robbins to be the subject matter of economics, namely scarcity (due to limited resources and unlimited human wants), is *un-real* and does *not really exist in reality*. It implies a static view of the material world rather than a dynamic description of the production process in connection with resources and wants, production and consumption, and supply and demand.

This, according to Backhouse and Medema (2008: 722), reflects the position that while Robbins’ definition of economics remains the most widely cited definition of the subject, “it has never commanded universal assent and there have always been significant numbers of economists who have considered that it does not encompass all aspects of their discipline and that qualifications or extensions are required.” It also implies that as “definitions of fields generally come only after the field is established; as fields change, so definitions change.” This poses a challenge for Islamic economists who claim that the subject-matter of Islamic economics and most part of its ‘scientific elements’ as a discipline are different to conventional to be first clear about what Islamic economics is.

1. **DEFINITION OF ISLAMIC ECONOMICS: HOW IT SHOULD BE CONCEIVED?**

Perhaps what Robbins has said above is also the case with Islamic economics. No consensus on the definition has been reached so far which also means Islamic economics is yet to reach the stage of unification of subject matter, scope and boundaries of study. Besides, its body of knowledge is yet to be clearly constructed. At this stage, according to Robbins (1945: 3) “any attempt to discover the ultimate nature of the science was necessarily doomed to disaster.” Cairness (1875: 148), likewise, said “definitions of the present state of economic science should be regarded as *provisional* only, and may be expected to need constant revision and modification with the progress of economic knowledge”.

However, as it is learnt from the conventional experience, that before the scientific community reaches a consensus on an appropriate definition, they have to attempt to offer the definition that could stimulate thinking and attract further discussion so that ‘unification’ could be initiated. Perhaps this is also the reason why numerous definitions of Islamic economics that look at the discipline from various angles are being proposed. This spirit will, at one point in time, pave the way to a consensus on the subject-matter, scope and approach of study of Islamic economics (Furqani, 2015).

Laliwala (1989), however, argues that there is no need to have a specific definition of Islamic economics as it is part of general science of economics and studies the same economic problem. The difference is only in Islamic goals and approaches in solving economic problems. Therefore, a distinct definition of economics from Islamic perspective is not necessary.

Nevertheless, Laliwala’s (1989) argument on the futility of attempting a distinct definition of Islamic economics apart from conventional definition, seems is not accepted by Islamic economists. Majority of Islamic scholars believe that Islamic economics should be distinctively defined. Not only to differentiate it from conventional economics, but most importantly to explicate clearly the nature of that particular discipline and its characteristics in subject matter, approach, scope and objective of study. The definition of Islamic economics, as argued by Arif (1985: 79), is important for “scientific justification of the study and development of Islamic economics”. Therefore, it is normal if we see in the Islamic economics literature the definitions with diverse opinions being proposed by scholars until an agreed working definition of Islamic economics emerges.

The question however is how to define Islamic economics. In general, Islamic economists agree to call the new body of knowledge that studies economic events and phenomena from an Islamic perspective as “Islamic economics”. The scholars also, in general, agree that this body of knowledge should have a definition to clarify its subject-matter (i.e., object of study). They, however, differ in what should constitute the definition and how to appropriately define Islamic economics.

In general we could see two differences in this effort. *First* is what can be called as a *pragmatic way* to define Islamic economics. This is done by maintaining the conventional definition of economics but by *substantially* maintaining the conventional conception of economic problems or object of study and *formally* adding the term of ‘Islamic perspective’ on the existing definition, such as Islamic economics is the study of economics from “the Islamic perspective”, or “in the light of Islamic principles”, or “that bring economics in consonance with the *Sharī‘ah*”.

The definition of Islamic economics under this type is constructed by endorsing the definition provided by Neoclassical economics into Islamic cases with slight modification in accordance with Islamic values/principles. According to Addas (2008: 107) this approach is “*ipso facto* endorsing the secular definition of economics emanating from Robbins adding to it Islamic constraints, such as fixing the object of economic activity as the promotion of *falāḥ* in the widest Islamic sense, and encompassing social life in its entirety.”

Hasanuzzaman (1984: 49) is against this approach. Such attempt to him would imply that the definition of the science of economics has a universal acceptability hence the term modern economics is qualified with Islam, which actually it does not, as the economic problems and approaches to solve them are different in Islamic framework. Therefore, new defintion should be proposed.

*Second*, there is a more genuine effort to define Islamic economics by reconfiguring both the actual problem of economics in Islam and Islamic solutions to solve the problem. This approach is preferable and important to provide scientific justification of the study and bring it further to the next stage of establishing Islamic economics as a distinct discipline. This is because not only solutions, paradigms, or frameworks are different; the problem of economics itself might be different. Most definitions of Islamic economics that we observe are in this mode of elaborating the Islamic definition on economics which could be characterized as ‘Islamically distinct’.

Nevertheless, technically, in structuring and developing definition of Islamic economics, Arif (1985b: 82) and Mirakhor (2007: 9) believe that the definition should employ *appropriate terminology* which describe concepts *unique* to Islamic economics without any *ambiguity*. These unique concepts, besides being able to clarify what Islamic economics means and its object of study, should also be able to highlight what is distinct about Islamic economics, and hence enable the reader to clearly distinguish the nature and characteristics of Islamic economics with its conventional counterpart. The definition in this regard, as suggested by Safi (1996: 78), must provide a complete list of the essential and accidental attributes of the defined object. It should be a “comprehensive but exclusive term” (*al-ḥadd al-jāmi’ al-māni’*) and should not be expressed in ambiguous, obscure, or metaphoric terms, using circular words of synonyms (*mutarādifāt*) and antonyms (*muta’ākisāt*).

For the progress of the discipline itself, Mirakhor (2007: 9) opines that this *appropriate language* chosen in line with the nature of the discipline itself could provide a framework and attract attention of the scientific community and hence could help in creating a consensus among researchers regarding the meaning and functions of the terms, ideas, rules and norms.

As we will show the case that economics in Islam is viewed within the totality of Islamic worldview and not as separated one aspect of life or even central in human life as in conventional understanding, the definition proposed should at the same time capture that vision as well as show commitment to Islamic values, approach, and framework. In other word, a unity framework and integrated perspective should be attempted in the definition whereby the subject-matter (i.e., economic problems), their solutions (i.e., approach and strategy to solve them) and goals to be achieved are integrated in the definition. Islamic economics definition “must be taken up in this same mould of integrated and global *tawḥīdic* based characterization” (Choudhury, 1995: 43) and it is used “to reaffirm such perennial truths as Divine Unity and the consequent of the Unicity of Nature” (Bakar, 1997: 92).

This comes from Islam’s understanding of science (*‘ilm*) that intends to reflect unity of thought and practice, ideals and realities in its subject-matter. In this regard, we believe there should be a consistency of economic problems faced by man in reality that is common to his life-experience as well as prescribed by Islamic goals. Such unity framework of Islamic of thought might answer Kuran’s allegation (1995b: 170) who says “Islamic economics does not offer a comprehensive framework for a modern economy; for all its grand claims, it presents a package of loosely connected policies rather than a complete blueprint for reform… it fails to provide a well-defined and operational method of analysis. Islamic economics is mostly prescriptive, and where efforts are made to give it analytical power, it loses much of its Islamic character.”

1. **DEFINITION OF ISLAMIC ECONOMICS: TOWARDS A CLASSIFICATION**

As has been highlighted, to define a discipline is not an instant process. It is a gradual process in line with the development of body of knowledge and object of study. Islamic economics scientific community who has interest in the discipline would continuously put their effort to define their object of study as well as its scope. Such continuous effort would trigger debates and discussion in the scientific community and eventually would lead to unification of discipline.

In the history of economics, various definitions of economics have been proposed. Kirzner (1976) has attempted to classify those definitions of economics proposed by scholars into two big categories; type A and type B definition of economics. Type A definitions consider economics as *a* *science of wealth and welfare* whereas type B definitions consider economics as *a science of human behaviour* or *human action*. Classical economics concerns more on the study of wealth whereas modern economics has shifted the study to the economic agent behaviour.

In Islamic economics tradition, scholars have put their effort to define the discipline and determine the scope and boundaries of study. In this study we have collected at least 24 definitions of Islamic economics proposed by Islamic economists. In the definitions proposed we can see the differences of opinion among the scholars on the object of study, scope and approach. Some definitions, however, are also quite close to each other which signifies the possibility to classify the definitions of Islamic economics.

The classification of the definitions is possible to be made based on the *ḥadd* (the clarification on the nature of Islamic economics study within the discipline itself) and *faṣl* (the clarification on the differentia of Islamic economics with other economics discipline).

* 1. **Definition Classifications Based on Subject Matter**

The definitions in general show the divergence of thought in what should constitute the subject-matter of Islamic economics. Scholars have differences of opinion with regard to the focus or object of study of Islamic economics that would also inform us the scope of analysis or boundaries of the discipline. This comes from the scholars’ view in determining the main reference and point of departure in studying Islamic economics.

In this classification of Islamic economics definition, we could see two different positions in determining the point of departure for developing Islamic economics. The first proposes to depart from the doctrine (*sharī’ah*) in order to analyze practical realities, the other proposes that Islamic economics starts from its study of practical-realities within an Islamic doctrinal framework.

The following are further classification of the definitions of Islamic economics, namely:

Type 1: Islamic economics as the study of the principles and rules of *sharī’ah* that make up the framework or milieu for an economic system, activities and behavior of economic agents;

Type 2: Islamic economics as the study of how to realize Islamic objectives in economics;

Type 3: Islamic economics as the study of how to solve economic problems in the Islamic framework; and

Type 4: Islamic economics as the study of human (Islamic man) behavior in making choices and decisions.

1. **Type I: Islamic Economics as the Study of Islamic Principles/ Doctrines in Economics**

The first group defines Islamic economics as a study of economic doctrines in Islam. The focus in Islamic economics study would be in establishing the Islamic doctrine of economics from the epistemological sources and in applying those doctrines/principles in practical economic activities. This type of definition can be seen in the following definitions:

Baqir al-Sadr (1983, vol. II, p. 6): Islamic economics is the *way Islam prefers to follow* in the pursuit of its economic life and in the solution of its practical economic problems in line with its concept of justice.

Hasanuzzaman (1984): Islamic economics is the *knowledge and application of* *injunctions and rules of the* *sharī’ah* (Divine Islamic law) that prevent injustice in the acquisition and disposal of material resources in order to provide satisfaction of human beings and enable them to perform their obligations to Allah and the society.

Muhammad Abdullah Al-Arabi (1969): Islamic economics is *a set of principles* derived from the Qur’an and Sunnah and construct the economics based on those principles according to times and places.

Muhammad Ali Taskhiri (1996: 120): Islamic economics is *a way which Islam prescribes* for individual and social behavior in the economic field and examine Islam’s rules in this area.

Zubair Hasan (1998): Islamic economics is that *aspect of Islam’s social doctrine* which deals with problems of choice in the face of uncertainty and resource scarcity to promote *falāḥ* in a holistic framework*.*

Gamal Eldin Attia (2007: 224): Islamic economics is *an economy that governs a society which is ordered in accordance with Islamic teachings*; the institutions of such a society operate based on true *Islamic principles*, while its individual members believe in *Islamic values* and, in their daily lives, tread the *straight Islamic path*.

According to this definition, Islamic economics’ focus of study is in establishing, outlining and applying *a set of principles, injunctions* and *rules of the* *sharī’ah* that will be the basis, guidelines and paradigm in analyzing economic realities and solving economic problems.

The study of Islamic economics seeks to construct the general principles and rules of Islam regarding human economic life from where the theories and policies of Islamic economics can be deduced or from where we can analyze the practical economy. These rules, as characterized by Hasanuzzaman (1997: 2) are “the systematic exposition of the spirit of the legal text *(naṣ)* intended to guide man towards different situations in human society throughout the ages. They provide broad contours within which policy making can be pursued and its validity judged.”

Those principles are derived directly from the original sources of Islam namely the *Qur’an* and *Sunnah*. Those principles are characterized by *‘umūm* (universal), *kulliyyah* (general), *tsubūt* (permanent), *al-taujīhāt al-asāsiyyah* (the principles guidance) and *al-hājat al-asāsiyyah al-lāzimah* (related to only the basic common needs) for every individuals and societies (Al-Qaradāwi, 1995: 15). Although the principles are few in terms of quantity, they cover all things of ‘human economic matters’ and are suitable for all time and place (Al-Khālidi, 1986: 43).

The approach to construct the principles is similar to the *fuqahā’* (jurists) approach in constructing *al-qawācid al-fiqhiyyah* (legal maxims) to be applied in the particular (Hasanuzzaman, 1984, 2007). Islamic economist then, from those general principles, derive various economic theories and policies to be applied in real economic life based on time and place and open for changes (*taghayyur*) according to the *maṣlaḥah* of society. In this perspective, the purpose of Islamic economics would be as Addas (2008: 32) states “to identify and establish an economic order that conforms to Islamic scripture and traditions.”

The proponents of this definition, such as al-Sadr, suggest that Islamic economics is a doctrine (system, *madhhab*) rather than a science. Al-Sadr (1983: II/10) argues that Islamic economics is a *doctrine* in that it is more concerned about “discovering every basic rule of economic life connected with the ideology of (social justice)” rather than a *science* of an “interpretation of existing reality which gives the explanation of economic life, its economic events and its economic phenomena and the linking of those events and phenomena with the general causes and factors which rule therein” (1983: II/6). Islamic economics, according to al-Sadr, is like Capitalism and Marxism. They are doctrines that have the role to lay down policies for the organization of economic life based on certain conceptions that are unique to the system. Islamic economics is not a science of economics, for science has no role in laying down policies. Science is interested in studying the effects of a policy which have already been implemented in society. In addition, the science of economics aims at discovering and explaining the phenomena of economic life and their inter-relationships, where as the objective of a doctrine of economics is to formulate ‘laws’ based on social justice to be implemented in organizing the economic life of mankind. In other words, the science studies the ‘what is’ while doctrine studies ‘what it should be’ (al-Sadr, 1991: 23).

1. **Type II: Islamic Economics as the Study of Islamic Objectives in Economics**

The second group defines Islamic economics as a study of economic objectives in Islam and how human beings can actualize and realize those objectives in economic life. In the definition, scholars define the possible objectives in Islamic economics and the possible approaches or means to realize those objectives in human life.

This type of definitions can be seen in following definitions proposed by scholars:

M. Akram Khan (1984: 55): Islamic economics aims at *the study of human falāh* achieved by *organizing the resources* of earth on the basis of *cooperation* and *participation*.

Louis Cantori: Islamic economics is simply an effort *to formulate a more human-oriented and society-oriented economics* that wants to deny the excessiveness of individualism within the classical economics (in Abu-Rabi’, 1994: 82).

M. Umer Chapra (2000: 125): Islamic economics is a branch of knowledge which *helps* *realize human well-being* through an allocation and distribution of scarce resources that is in conformity with the *maqāṣid,* without unduly curbing individual freedom, creating continued macroeconomic and ecological imbalances, or weakening family and solidarity of moral fibre of the society.

Anjum (1996: 57): Islamic economics is a scientific discipline concerned with the theoretico-empirical analysis of the known economic realities and future economic possibilities, in the light of exploitation-free Islamic principles, in *order to explore the most effective means of enhancing production*, its equitable *distribution* and balanced *consumption* from the point of view of *relieving* economic hardships, *facilitating* and *beautifying* human life for the peace, *prosperity* and *development* of all human beings.

In this perspective Islamic economics is a study that would explore and investigate the approaches and mechanisms in solving economic problems. In solving that, Islamic economics is oriented by the goals as envisaged by Islamic worldview in economics.

Islamic economics is thus a goal-oriented discipline/science whereby it seeks to study means and solutions to achieve the objectives (as defined in *maqāṣid* *al-Shari’ah)* as outlined by Islam. In the definitions, the scholars provide various insights on the purpose of Islamic economics as a science, such as *to fulfil human needs, individually and collectively* (al-Ghanim, Hasanuzzaman, Yousri); *to* *relieve economic hardships, facilitate and beautify human life for the peace, prosperity and development of all human beings* (Anjum); *to realize human well-being as envisaged in the* *maqāṣid al-sharī‘ah* (Chapra), and *to achieve falāḥ (success) in a holistic framework* (Khan, Arif, Hasan). Those objectives put Islamic economics in goal-direction oriented science and characterizes Islamic economics science in such a way as to assist human beings achieve the ideal of life as perceived in those goals.

1. **Type III: Islamic Economics as the Study of Economic Problems in Islam**

The third category defines Islamic economics as the study of economic problems in Islamic perspective and tries to solve it in an Islamic framework, values, approaches and institutions. This definition is proposed by:

Ibrahim al-Turki (1976: 11): Islamic economics is a social science which *studies* *the economic problem* *of the society* who practices *Islamic values*.

M.A. Mannan (1984: 126): Islamic economics is a composite social science which studies the *problem* of production, distribution and consumption through integrative system of exchange and transfer over time and their social and moral consequences in the light of Islamic rationalism.

M. A. Mannan (1986: 3) also defines Islamic economics is a social science which studies *the economic problems of a people* imbued with the *values of Islam*.

Mohamed Aslam Haneef (1997): Islamic economics is an *approach to interpreting and solving man’s economic problems* based on the values, norms, laws and institutions found in, and derived from, the sources of knowledge in Islam.

Ghanim (1991: 65): Islamic economics is a science that studies *how to fulfill* *human’s needs*, individually and collectively, by utilizing the resources, based on the Islamic frameworks and principles.

M. N. Siddiqi (1992): Islamic economics is the *Muslim thinkers’* *response* *to* *the economic challenges of their times*. In this endeavor they were aided by the Qur’an and the Sunnah as well as by reason and experience.

Al-Masry (1999: 22): Islamic economics is a *study of scarce resources* and their development in order to fulfill the needs of human being according to *Islamic rules*.

Yousri (2002: 28): Islamic economics is the science that studies *the best possible use of all available economic resources,* endowed by Allah, for the *production* of maximum possible output of *halal* goods and services that are needed for the community now and in future and the just *distribution* of this output within the framework of *Sharī‘ah* and its tenets.

Iqbal and Lewis (2009: 13): Islamic economics is a branch of knowledge that aims at analyzing, interpreting and resolving *economic problems* with reference to the *methodology of Islam*.

According to these definitions, Islamic economics’ subject-matter is in analyzing and solving the *economic problems* faced by the society. The difference with conventional economics is in what counts as a ‘problem’ in Islamic perspective as well as in the ‘approach’ and ‘objective’ of solving economic problems.

In Islamic economics, the nature of economic problem is conceived based on practical-reality of what human being faced in life as well as based on the guidelines and objectives of what to be achieved by having and solving those problems. Likewise, the way to solve the problem in Islamic economics is with the framework of Shari’ah (Yousri), the values, norms, laws and institutions found in, and derived from, the sources of knowledge in Islam (Haneef, Mannan, al-Turky), in accordance with Islamic rules (al-Masry), and aided by the Qur’an and the Sunnah as well as by reason and experience (M.N. Siddiqi).

In solving economic problem, Islamic economics is guided by Islamic normative principles as well as positive analysis so that resources appropriation are being done on the basis of Islamic values; *cooperation,* *participation* and *justice* (Khan, 1984, Ahmed, 2002). With the ethics prevalent in managing economic problems, Islamic economics will be able to restrict endeavors from curbing individual freedom, creating continued macroeconomic and ecological imbalances, or weakening family and solidarity of the moral fiber of the society (Chapra, 2000: 125). As a result, scholars believe that Islamic ways in solving economic problem will be the most effective means for enhancing production, realizing equitable distribution and balanced consumption (Anjum, 1996: 57 Ahmed, 2002: 28).

1. **Type IV: Islamic Economics as the Study of Human (Islamic Man) Behavior in Making Choices and Decisions**

The fourth type of classification defines Islamic economics as a study of the behavior of man (the ‘Islamic man’, for some Islamic economists) in making choices and decisions. This type of definition is proposed by:

Muhammad Arif (1985): Islamic economics is the study of *Muslim’s behaviour* who organizes the resources, which are a trust, *to achieve* *falāḥ*.

Masudul Alam Choudhury (1986: 4): Islamic economics is the sum total of historical, empirical, and theoretical studies that analyze *the human and the societal wants* in the light of an *integrated Islamic value system*.

Hailani Muji Tahir (1988: 17): Islamic economics is the science that deals with *human behavior* in utilizing and managing the resources of the universe for his own benefit as well as for the welfare of the society as a whole, so as to obtain *the consent of Allah*.

Khurshid Ahmad (1992:19): Islamic economics is a systematic effort to try *to understand the economic problem* and *man’s behaviour* *in relation to the problem* from an *Islamic perspective*.

M. Metwally (1993: 1): Islamic economics is the study of the *economic behaviour of the true Muslims* in a society which adheres to the Islamic doctrine derived from the *Qur'an*, *Sunna*, *Ijmā’* and *Qiyās*.

S. N. H. Naqvi (1994: 20): Islamic economics is a study of the representative *Muslim’s behaviour in a modern Muslim society.*

Monzer Kahf (2003): Islamic economics is the study of *economic behaviour* of men and women, as individual economic agents, and as communities and collective entities.

In this type of definition, the central feature of Islamic economic science is the analysis of economic agent behavior (individual, government, society, institutions) and how they make choices constrained by the limited resources and multiple wants with reference to the Islamic values and rules/principles.

This conception of subject-matter of Islamic economics basically follows the formal definition of economics as given by Robbins (1945) as “the study of *human behaviour* as a relationship between ends and scarce means which have alternative uses.”

Islamic economists, nevertheless, are divided into two groups in determining the focus of study. Choudhury, Ahmad and Kahf believe that the focus of Islamic economic study will still be the behavior of human beings in general, but the solution, approach, norms, are built from Islamic principles. Islamic economics analyzes all types of human behavior in their economic life and therefore an explicit statement of Islamic man is not necessary in the definition. This will make Islamic economics science applicable to all mankind and not restricted to Muslims. Nevertheless, the benchmark of human behavior study is Islamic principles and values. Economic actions and decisions are then to be analyzed and examined in light of those principles and values.

Arif, Naqvi and Metwally, on the other hand believe that the focus of study should be the Muslim’s behavior (i.e., Islamic man instead of a general economic man). The concept of human behavior in Islamic economics is somewhat different due to the differences in the conception of the nature of man, the *raison d’etre* of his existence, his mission and goal of life. Therefore, the micro-foundations of Islamic economics will also be different. For that reason, Arif (1985b: 83-84) sees the need to explicitly mention Islamic man in the definition as a ‘scientific necessity’ not only to counter the paradigm of neoclassical economic man, but to meet all the scientific requirements of paradigm building in Islamic economics. This is because the behavior of economic man is the basis of the micro-foundations of an economic system whereby different conceptions of who is going to be the agent will lead to different frameworks of thought, leading to different paradigm/schools of economics as well. An implicit concern of study for Islamic man will provide scientific justification to develop a separate paradigm of Islamic economics. Strategically, it eases the task of the Islamic economists who are engaged in research and analysis to formulate the hypotheses and theories that best describe the *falāḥ* oriented behavior of this representative agent and this would enable society to create and establish an institutional framework conducive to his *falāḥ* oriented activities.

* 1. **DEFINITION CLASSIFICATION BASED ON THE DISTINGUISHING CHARACTERISTICS OF ISLAMIC ECONOMICS**

A second classification to the definitions of Islamic economics could be made based on the distinguishing characteristics of Islamic economics as perceived by scholars. If in the previous classification of Islamic economics, scholars attempted to clarify the nature, scope and boundaries of the discipline (*ḥadd*, clarification within the discipline itself), here the attempt is made to distinguish Islamic economics with the mainstream economics, i.e., its differentia (*faṣl*) that would clarify the nature, scope and object of study of Islamic economics as well as to distinguish it with other economics. The differentiation is made in three ways; the objective, the approach and the scope of study.

1. **Differentia I: The Aim of Study**

Unlike the definition of economics (such as Marshall’s and Robbins’ definition) that consider the goals of economics as a subjective enterprise and hence there is no explicit economic goals in the definitions, Islamic economics explicitly asserts its goals of study in the definition.

Economics, for Robbins (1935: 148), studies human behavior in making choices in the realm of scarcity, in a value-free sphere where ends are given (namely to satisfy human’s wants by maximizing an individual’s utility or a firm’s profit). This is because to him “it does not seem logically possible to associate the two studies [economics and ethics] in any form but mere juxtaposition”. Choices in the conventional framework therefore depend mainly on the individual preference function which is supposed to be independent of, or indifferent to, the welfare of others. Therefore, economics as a science is focused on studying *means*, investigating the apparent problems, proposing best solutions to solve them and suggesting best means to realize the *given* goal (i.e., utility maximization). Economics as a science will avoid outlining *ends,* as objectives are *personal* or a *subjective* *matter*.

Islamic economics, in contrast, seems to be a ‘purposive’ science or a ‘goal-oriented’ discipline, in the sense that it is consciously designed to achieve certain goals (values or principles). It is developed in such a way so that human beings, individually and collectively, are able to achieve the goals in their life as perceived by Islam.

In this regards, Islamic economics studies *means* in relation to *ends*. The calculation of *means* will consider values, principles, moral and objectives as defined by Islam. In other word, it is not that simple as in rational maximizing criteria, in which economic man is indifferent to social and moral relationships. In contrast, considerations are made based on individual, social and moral concerns, the hierarchy of spiritual, psychological and physical needs, and values of good and bad. This is because economic activity is not divorced from other aspects of being a Muslim, and that it serves other ‘large’ purposes, such as responsibility to the Muslim ummah and obedience to Allah. All theories developed consequently are in the spirit of achieving these objectives. It is for this reason we see an explicit assertion of the objective of Islamic economics in the definitions, such as *to fulfill the needs of human beings* (Hasanuzzaman, 1984; Ghanim, 1991; Yousri, 2002), *to help in realizing wellbeing as in the maqāṣid framework* (Chapra, 2000), and *to achieve* *falāḥ* (Akram Khan, 1984; Arif, 1985; Hasan, 1998).

1. **Differentia II: The Approach of Study**

Differentiation also has been made in terms of approach or how the study is going to be conducted. Islamic economists in this regard believe that the study of economics should be conducted "from an Islamic perspective” (Ahmad, 1992), “in the light of an integrated Islamic value system” (Choudhury, 1986), “in the light of exploitation-free Islamic principles” (Anjum, 1996), “imbued with the values of Islam” (Mannan, 1986), "within the framework of *Sharī‘ah* and its tenets" (Yousri, 2002), “based on the values, norms, laws and institutions found in, and derived from, the sources of knowledge in Islam" (Haneef, 1997), “in a more human-oriented and society-oriented economics”(Cantori, 1994), and in a “holistic Islamic framework” (Hasan: 1998). In other words, the scholars agree to study it in the light of Islamic injunctions, utilizing Islamic methodology, based on the norms, values, laws, and institutions based on the legitimate sources of knowledge in Islam.

The Islamic approach is different to conventional methodology in sources of economic knowledge and in theory appraisal. Economic knowledge in Islam is derived from the revealed knowledge of the Qur’an and Sunnah, intellectual-reasoning and from historical experience. Economic theory in Islam will integrate Islamic principles (doctrine, normative ideals) as well as facts (empirical evidence). The reliability of theory will also be examined based on those three sources. A theory is considered as sound if it is in line with *Islamic normative principles*, is *logically valid*, and *empirically proven*. In this approach, a theory is sound if all those aspects are integrated into one or if they are reflected in a unity (*tawḥīd*).

1. **Differentia III: The Scope of Study**

Economics, prior to Robbins’ proposal as a *science of scarcity* or *science of choice*, was initially perceived by Adam Smith as a *science of wealth* and by Marshall as a *science of material welfare*. Economics as a science of wealth discusses wealth (instead of man) and the causes of wealth in general. Marshall then enlarged the scope of study by emphasizing the human being himself- since it is for his sake and for the sake of his welfare- that wealth is studied. The focus of study then is in *human welfare*. He, however, limited the boundaries not to welfare in general, but *material welfare* which is more concrete, tangible and is made definite by the measuring rod of money. Wealth is a very convenient measure of human motives that underlie all economic activity. Wealth represents the material means of satisfying human wants and consequently of promoting human welfare. Economics, in so far as it studies wealth, can be regarded as *studying the causes of material welfare* (Dewett & Varma, 1990: 2).

Robbins (1932) criticizes this further and proposes economics to be a *science of scarcity* or a *science of choice*. In this framework, the Marshallian classification of economic phenomena into material and non-material is rejected since non-material services also contribute to economic welfare. In addition, the term welfare itself not only varies from time to time, person to person or from place to place, it also enables us to pass a judgment in assessing welfare, i.e. what it is, what is conducive to welfare and what is not.

This invitation to value according to Robbins will reduce the scientific status of economics. Therefore, he proposes economics as a science that studies “*human behavior as a relationship between ends and scarce means which have alternative uses.*” This new conception, he argues, does not only broaden the scope of economics by capturing all the previous notions of economics; at the same time it has the virtue of demarcating economics from ‘non-science’ elements. As a *science of scarcity*, economics deals with all economic activities of man, whether they are concerned with material or non-material welfare so long as it involves choices in utilization of scarce means, having alternative uses, for meeting multiple ends. Any problem marked by scarcity of means and multiplicity of wants, according to Robbins, becomes- *ipso facto-* an economic problem.

Economics, however, according to Robbins is neutral towards ends. Its function as a science is to ‘explore and explain’ and not to ‘advocate and condemn’ which is left at the personal level. Ends should be taken as given and economics should only confine itself to finding out ways and means to achieve them (Dewett & Varma, 1990: 5). In the words of Robbins (1945):

the economist is not concerned with ends and as such he is concerned with the way in which the attainment of ends is limited. The ends may be noble or they may be base. They may be material or immaterial, if ends can be so described. But if the attainment of one set of ends involves the sacrifice of others, then it has an economic aspect.

Islamic economists also have attempted to define the scope of their discipline, as implied in the definitions that we have investigated. There are at least three ways in which scholars attempted to do this. The *first* is by maintaining the basic condition of ‘scarce-means’ and ‘ends’ *ala* Robbins as the object of study, but now the mechanisms and solutions to solve the problems are to be derived from Islamic perspectives. Ethics and values come into the picture whereby the choices and decision making processes in Islamic economics is guided by Islamic values. The scope of study then will be enlarged as now the ethical, social and spiritual considerations are taken into account. Mannan (1986: 7-8) for example says that the scope of Islamic economics seems to become the administration of scarce resources in human society in the light ethical conception of Islam.

The *second* group attempts to be more specific by limiting the scope of study as the study of Islamic man behavior in making choices and decisions (Arif, 1985a; Metwally, 1993; and Naqvi, 1994). Islamic man is guided by Islamic ethics in his behavior and choice in utilizing scarce resources and fulfilling multiple ends. Islamic ethics- which is an endogenous variable in Islamic man’s calculation- will distinguish Islamic economics analysis, and hence plays a role in developing Islamic economics as a science.

The *third* group defines the scope of Islamic economics in the objectives that it intends to realize. Islamic economics according to this group is a *falāḥ* study or a *maqāṣidic* study that attempts to realize the comprehensive aspects of human well-being as implied in the *maqāṣid* so that human beings can have a high quality of life and happiness in both worlds (here and hereafter, i.e *falāḥ,* Khan, 1984; Chapra, 2000).

All the three groups attempt to distinguish the scope of Islamic economics and at the same time broaden the scope of economics study in Islam. While they might have differences in determining what aspects could differentiate Islamic economics study from its conventional counterpart, they share similar view in offering a comprehensive perspective in Islamic economics study to include recognition that the non-material, psychological, mental, spiritual, moral, social and intellectual aspects of mankind do impact the material dimensions of life and human wellbeing in total.

1. **CONCLUSION**

The definition of Islamic economics seeks to clarify the object of study, to discuss its subject matter, to indicate the boundaries of its reach and to inform readers about its underlying norms and aspirations as well as the objectives it intends to serve.

The definitions of Islamic economics can be classified into two broad classifications based on the clarification they made to the subject-matter of the discipline (*ḥadd*) and based on the differentiation they made to distinguish Islamic economics with other economics (*faṣl*).

The differences in the object of study proposed by Islamic economists reflect a stark fact that the basic ‘consensus’ necessary for an agreed definition itself- upon which an analytical framework is to be built on- is yet to emerge. While this is normal for a new emerging discipline (whereby the consensus come in stages), efforts should be put in either scrutinizing respective definitions (i.e, its object of study), solidifying the framework of study on which Islamic economics is developed and by attempting to converge those definitions (i.e., by merging the subject matter and developing a framework of study thereon) so that a more coherent body of knowledge can be established and the discipline could develop.

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