JIEP: Journal of Islamic Economics and Philanthropy
Volume 7, Number 4, May 2025
E-ISSN: 2655-335X
https://ejournal.unida.gontor.ac.id/index.php/JIEP/index

Submitted 2025-01-16 | Reviewed 2025-03-23 | Revised 2025-04-24 | Accepted 2025-04-28

Islamic Philanthropy and the Qur'anic Approach to Scarcity: Wealth Redistribution as a Solution

Nurul Naqibah Izzati
Muhammad Faizul
Email: nqbh1611@gmail.com
Universiti Islam Sultan Sharif Ali

Abstract

This study examines the concept of scarcity in conventional economics and compares it with the Islamic economic approach, particularly from the perspective of the Qur'an. The main focus of this study is to explore how Islamic philanthropy through instruments such as zakat, infaq, sedekah, and waqf play a key role in solving various economic problems, including scarcity. To achieve these objectives, a qualitative methodology, including doctrinal library research and comparative analysis, was employed to examine both frameworks. The findings reveal that Islamic economics recognised only relative scarcity, emphasizing resource sufficiency and moral responsibility. In additions, Islamic philanthropy has demonstrated its effectiveness in resolving many conventional economic issues, shedding light on its potential for promoting economic justice and social welfare.

Keywords: Scarcity, Islamic Economics, Islamic Philanthropy, Economic Justice, Wealth Distribution

Abstrak

Studi ini meneliti konsep kelangkaan dalam ekonomi konvensional dan membandingkannya dengan pendekatan ekonomi Islam, khususnya dalam perspektif Al-Qur'an. Fokus utama penelitian ini adalah mengeksplorasi bagaimana filantropi Islam melalui instrumen seperti zakat, infak, sedekah, dan wakaf berperan sebagai solusi kunci untuk mengatasi berbagai permasalahan ekonomi, termasuk kelangkaan. Untuk mencapai tujuan ini, metodologi kualitatif, termasuk penelitian kepustakaan doktrinal dan analisis komparatif, digunakan untuk meneliti kedua kerangka kerja tersebut. Temuan tersebut menunjukkan bahwa ekonomi Islam hanya mengakui kelangkaan relatif, menekankan kecukupan sumber daya dan tanggung jawab moral. Selain itu, filantropi Islam telah menunjukkan efektivitasnya dalam menyelesaikan banyak masalah ekonomi konvensional, menyoroti potensinya untuk mempromosikan keadilan ekonomi dan kesejahteraan sosial.

Kata Kunci: *Kelangkaan, Ekonomi Islam, Filantropi Islam, Keadilan Ekonomi, Distribusi Kekayaan*

INTRODUCTION

Economics, as a social science, emerged in response to fundamental questions arising from economic challenges (Muslihati, S, & Hamiruddin, 2021). These challenges are commonly framed through three core questions: what to produce, how to produce, and for whom to produce. These questions are essentially a reflection of the concept of scarcity (Ahmed & Amir Ahmed, 2010).

However, Allah SWT the Al-Qadir (the powerful) and the Al-Alim (the all-knowing) provide sustenance for all His creatures. With provisions Allah SWT also restricts in our knowledge and ability to extract resources. This is the mercy of Allah SWT for us His servants, although many would think these limitations or restrictions is a form of oppression, however this is completely untrue. These limitations or restrictions are a wonderful opportunity for us to show our love towards Allah SWT and to show we are the ummah of the Prophet Muhammad PBUH, by acknowledging the rights of the poor and the needy in our wealth and giving portion of it in the way of Allah SWT. In additions, following the Sunnah of the Prophet PBUH and building an Islamic Economic system which rely and depend on the Al-Qur'an and the Sunnah.

Scarcity remains a fundamental problem in economics. As noted by Emanuel and Persad (2024), if left unaddressed, scarcity leads to the unequal distribution of resources, where the affluent consume a disproportionate share of what is limited. This deepens social inequality and stands in direct contradiction to the principles of distributive justice. Hence, addressing scarcity is essential rather than avoiding it.

In the context of Islam, such limitations are viewed as a test of faith and an opportunity to fulfill the moral obligation of wealth redistribution. Through instruments like zakat and other forms of charity, Muslims are encouraged to promote economic justice and foster social cohesion (Junaidi & Rizkiyah, 2013).

While in conventional economics both absolute and relative scarcity are recognised, in Islamic economic system only relative scarcity is recognised this is due to the understanding, as human Allah SWT has set for us certain limitations to get to the resources (Ibnouf, 2012). This research aims to examine how the conventional economic problem of scarcity is interpreted within the framework of Islamic economics, and to explore the pivotal role of Islamic philanthropy in addressing it. By doing so, the study seeks to contribute to the growing body of academic literature on this topic and to advocate for a more just and inclusive economic system one in which all segments of society can equitably benefit.

To achieve these objectives, this research shall first explore the definition and perception of scarcity, in both the conventional and Islamic economics. It then examines the role of Islamic philanthropy in addressing this issue. The methodology, results, and discussion sections further elaborate on these themes.

LITERATURE REVIEW

Definition of Scarcity

According to the Oxford English dictionary, scarcity is the state of being scarce or in short supply; shortage: *a time of scarcity*, *growing scarcity of resources* (Simpson & Weiner, 1989). In the fifteenth century, the phrase acquired a more precise meaning as an insufficient supply of necessities, or a dearth, and also a temporal connotation indicating a period of shortage, or a dearth. In the late eighteenth and early nineteenth centuries, this was still the prevalent practise (Xenos, 1984). Historically, the English term "scarcity" is of mediaeval origin, deriving from the old northern French word escarceté. It formerly signified an insufficient availability of resources (Xenos, 1989).

The Concept of Scarcity in Conventional Economics

Almost all contemporary conventional textbooks defined the fundamental defining issue of economics is scarcity (Taufiq Possumah & Ghafar Ismail, n.d.). For instance, Perloff's microeconomics textbook begins with the following sentence (Perloff, 2008): “If each of us could get all of the food, clothing and toys we wanted without working, no one would study economics. Unfortunately, most of the good things in life are scarce – we can’t all have as much as we want.” Accordingly, Samuelson argued that scarcity is a reality because there are only a finite number of human and non-human resources capable of generating a limited quantity of economic products to meet human needs and wants (Samuelson, 1980). Notably, scarcity in conventional economics can be formulated as (Taufiq Possumah & Ghafar Ismail, n.d.):

“Limited Factors of Production (Resources) + (Unlimited Wants) = Scarcity”

Scarcity can be classified into several types depending on its underlying causes. Demand-induced scarcity arises when the demand for resources increases while supply remains constant, typically due to population growth. In contrast, supply-induced scarcity occurs when environmental changes such as drought, land degradation, or climate change lead to a reduction in available resources, causing supply to fall short of demand. Furthermore, structural scarcity arises when access to resources is limited due to geographical barriers, social inequality, or political conflict, even if the resources are physically present.

According to Daoud (2010), scarcity can also be understood through two main conceptual frameworks: absolute scarcity and relative scarcity. Absolute scarcity refers to a condition where available resources are inherently insufficient to satisfy unlimited human wants, regardless of technological advancement. On the other hand, relative scarcity arises when the available resources are limited compared to competing needs. As a result, individuals must make choices among alternatives, incurring opportunity costs or alternative costs.

The conventional economics limits itself to an extend they are unable to solve the scarcity problems which led to neglects of social equity and justice. According to (Nugraha et al., 2023), the neglects of social equity and justice led to uneven distribution of wealth. A study by Nugraha et al. (2023), emphasises that the neoclassical system has historically failed to address the exploitation of the weak by the strong, which Islamic economics tries to rectify through its normative principles. Islamic economics, in contrast, emphasises social justice and equal distribution, matching with the ideas of Pancasila, which seeks the benefit of all Indonesians.

The Concept of Scarcity in Islamic Economics

The Qur'an presents some argument indicated that the economic problem in Islamic economic perspective is based on four principles, and that scarcity is not the primary concern in terms of the economy of a human's life. These principles are (Taufiq Possumah & Ghafar Ismail, n.d.):

In an Islamic economic perspective, the principles of ownership and distribution of wealth are based on the values of monotheism and social justice. There are a number of basic principles that regulate humans' relationship with wealth, as explained by Taufiq Possumah and Ghafar Ismail (n.d.). First, all wealth essentially belongs to Allah SWT, and humans only receive part of it as a trust. This is confirmed in the word of Allah: "And give them some of Allah's treasures that He has given you" (QS. An-Nur: 33). Second, society acts as a manager of wealth, not an absolute owner. The Qur'an states: "Believe in Allah and His Messenger and make a living from your wealth which Allah has made you control" (QS. Al-Hadid: 7).

Third, Islam forbids the hoarding of wealth that is not used for the public good, as His word says: "And those who hoard gold and silver and do not spend it in the way of Allah, then warn them (that they will have) a painful punishment" (QS. At-Taubah: 34). Fourth, the circulation of wealth in society is an obligation, so that it is not concentrated only among the elite. The Qur'an reminds us: "Whatever spoils (fai') Allah gave to His Messenger ... so that it should not circulate only among the rich among you" (QS. Al-Hasyr: 7). These principles show that the Islamic economic system places great emphasis on the aspects of distributive justice and social sustainability.

From these principles, Islam differs greatly from man-made economic systems (such as communism/socialism and capitalism) in defining the economic problem. However, why is that? This is due to the fact that in actuality, the idea of scarcity as a primary economic problem in mainstream economics was not generated out of thin air. The idea was initially conceived within the context of western philosophical theories of the human person. According to these definitions, humans have long been viewed as rational animals (Flew, 1984, p. 300).

The concept of a "rational animal" serves as the foundation for the concept of "rationality" in economics. The idea of a rational animal tells us that as long as we are alive, we will always have unlimited wants (Taufiq Possumah & Ghafar Ismail, n.d.).

Absolute Scarcity According to The Qur'anic Perspective

The term "absolute scarcity" refers to a situation in which there will never be enough resources to satisfy human wants, regardless of how far technological development progresses. This situation occurs when there are limited resources but limitless wants (Sekolah et al., n.d.). Absolute scarcity can also be caused by human activities such as rapid birth rate, which exceeds the ability of the earth to produce food supply, as proposed by Malthus theory. This will result in demand- induced scarcity, which is a situation in which the demand for food is greater than the quantity of food available (Daoud, 2010).

In the framework of Islamic economics, the concept of absolute scarcity is not recognized as in conventional economics. This is because the Qur'an explicitly states that all resources belong to Allah SWT, and He created everything with a predetermined measure and provision. As written in Surah Al-Qamar verse 49: "Indeed, We created everything according to a destiny (determination)". This confirms that Allah has arranged the creation and distribution of resources fairly and wisely. Furthermore, in Surah At-Talaq verse 3, Allah confirms that "Indeed, Allah has made a provision for everything", and in Surah An-Nur verse 38 it is stated that "Allah provides for whom He wills". According to Taufiq Possumah and Ghafar Ismail (n.d.), the rejection of absolute scarcity is rooted in the belief that Allah has created the universe with abundant resources. Scarcity in the Islamic view is not caused by the limitations of creation, but by human greed, excessive consumption patterns, and unequal distribution. Oran (2012) strengthens this view by stating that although Allah has provided resources in abundance, humans are given unlimited desires, which must be regulated and controlled. This is in accordance with the word of Allah in Surah Ibrahim verse 34: "And He has given you all that you ask of Him. And if you count the favors of Allah, you will not be able to count them. Indeed, mankind is very unjust and ungrateful (to Allah's favors)".

Thus, the Islamic approach to scarcity is more moral and spiritual, emphasizing human responsibility to manage resources fairly and equitably, not merely based on material calculations or economic efficiency. This concept is fundamentally different from conventional economics which views scarcity as the basis of all economic choices due to limited resources and unlimited human desires.

Relative Scarcity According to The Qur’anic Perspective

The term "relative scarcity" refers to the scenario in which individuals are forced to choose between a limited number of scarce commodities due to the fact that there are insufficient resources available to manufacture a variety of goods and services (Samuelson, 1980). People will incur a cost in the form of an opportunity cost or an alternative cost for the choices they make (Sekolah et al., n.d.). According to Stevenson and Lidberg's explanation from 2011 (Stevenson & Lindberg, 2011), the term "opportunity cost" refers to the people's need to forego potential benefits as a result of the decisions they do not take. This means that individuals are required to bear the "alternative cost" of forgoing potential advantages.

As a result, economic agents such as producers, consumers, and governments are required to make decisions and compromises (Robbins, 2014/1932) in order to make effective use of the limited resources available to them in order to satisfy their needs and wants and achieve a state of well-being (Heyne, Peter, & Prychitko, 2014). According to Adam Smith, as referenced by Heath (2013), the maximisation of human wellbeing is possible when people are given the liberty to pursue their own self-interest in the pursuit of satisfying their desires rather than acting for the benefit of others.Scarcity issues only arise as a result of the 'availability' or inaccessibility of resources, which is a result of humans’ limited ability to locate the source of resources, determine how to extract them, and apply them for the benefit of the community. Human limited knowledge occurred because Allah SWT provides knowledge to human gradually and subject to certain limitations. Human would not be able to have knowledge about themselves and other creations. Ultimately, only Allah SWT knows everything (Taufiq Possumah & Ghafar Ismail, n.d.).

JIEP: Journal of Islamic Economics and Philanthropy
Volume 7, Number 4, May 2025
E-ISSN: 2655-335X
https://ejournal.unida.gontor.ac.id/index.php/JIEP/index

As Allah SWT have said: "He said: "I know what you know not" (2:30)
From this we can understand, in Islamic Economic that there is no scarcity in terms of quantity (Taufiq Possumah & Ghafar Ismail, n.d.). Summarily, this can be formulated as:

"Sufficient Resources Created by Allah SWT + (Human's constraints to acquire, to locate and to use of the resources + Unlimited Wants) = Scarcity in Accessibility (Relative Scarcity)"

As a result, all three economic agents, which are households, firms, and the government, face an availability scarcity of land, capital, labour, and entrepreneurs due to their finite knowledge and physical constraints, as well as their insatiable wants and needs. Not because the producing factors are limited in nature (Taufiq Possumah & Ghafar Ismail, n.d.).

Role of Islamic Economics and Philanthropy in Addressing Conventional problems including Scarcity

According to (Saripudin, 2016 as cited in Susdarwono & Arafat, 2024), the term "philanthropy" is new in Islam, however other Arabic phrases have recently been adopted as equivalents. Philanthropy is also known as al-'ata' al-ijtima'i, which means social giving, al-takaful al-insani, which means humanitarian solidarity, 'ata' khayri, which means giving for good, and sadaqah, which means alms. Sadaqah is already known in Islam, however the name Islamic philanthropy is a modern appropriation of the concept (Saripudin, 2016).

Islamic philanthropy is founded on moral ideals that are based on a humanist (humanity) spirit, which holds that humans are equal to one another, and so it is critical to abolish all types of prejudice, particularly in order to perpetuate human life on this planet (Susdarwono & Arafat, 2024). This demonstrates that humility is the foundation of philanthropy, and Islamic philanthropy is the ultimate key to opening doors, offering solutions, and instilling in the Ummah the desire to become a greater servant of Allah SWT. After all, the Ummah strengthens itself by supporting one another.

Zakat and Waqf are significant players in the Islamic Philanthropy tool. This is supported by a qualitative investigation (Bonang & Baihaqi, 2022). According to Muhammad et al., (2024), the study's findings show that Zakat and Waqf, as Islamic financial methods, have the potential to combat any modern crisis or epidemic regardless of geography, era, people, or faith. Zakat and Waqf, if properly organised, maintained, collected, carefully managed, and truly distributed to the individuals affected, can help in combatting the negative effects of the COVID-19 pandemic and alleviating poverty among the disadvantaged in Bauchi state, Nigeria.

In this paper, the acclaimed scholar says that the topic at hand emphasises the concept of insufficiency, which is an important component of scarcity. While conventional economics may provide traditional solutions, they frequently contain actions that are considered haram (prohibited) in Islam. The case of which esteemed scholar Muhammad et al., (2024) have raised where poverty create a friction on inability, which is the very essence or even root of scarcity. The Islamic Philanthropy weapon rise and win the war of conventional economic problem.

JIEP: Journal of Islamic Economics and Philanthropy
Volume 7, Number 4, May 2025
E-ISSN: 2655-335X
https://ejournal.unida.gontor.ac.id/index.php/JIEP/index

METHODOLOGY

This study employs a qualitative methodology to explore concepts, opinions, and experiences. Qualitative research involves the collection and analysis of non-numerical dataQualitative research involves the collection and analysis of non-numerical data. To address the research questions and achieve the objectives of this study, a doctrinal (library-based) research approach is employed (Yadav, 2022).

A comparative analysis is also utilised to understand the relevancy of Scarcity in the realm of Islamic Economics. Furthermore, the comparative analysis emphasizes how Islamic philanthropy, through mechanisms like zakat and waqf, addresses scarcity and provides practical solutions for the Ummah. In addition, a case study approach was used to further emphasised the effectiveness of the solutions to the problem as well as understanding the existence of scarcity in the dimension of Islamic Economics. The case study selected in this research Amartya Sen's Nobel Prize-winning analysis of famines—meets specific criteria of academic credibility and global recognition.

RESULT AND DISCUSSION

Islamic Economic Solutions to Scarcity at The Level of Needs

In Islam, scarcity at the level of basic needs is considered non-existent, as the principles of zakat, infaq, and charity ensure that all individuals' essential needs are met (Usman, Mulia, Chairy, & ..., 2022). According to Islamic economic theory, the wealth distribution system is designed to ensure that everyone, especially those in need, has access to basic necessities. If these systems are implemented properly, scarcity in terms of basic needs can be alleviated. As stated in the Quran, those who neglect their duty to provide for the needy are condemned: “And they give food, despite their love for it, to the needy, the orphan, and the captive” (Surah Al-Insan: 8). This highlights that in an ideal Islamic economic system, the scarcity of basic needs is not a matter of limited resources but of unequal wealth distribution.

Furthermore, the concept of need-based scarcity is countered by the obligatory wealth redistribution in Islam, including zakat (mandatory alms), which is meant to reduce economic disparities and ensure that everyone’s fundamental needs are fulfilled. Scholars such as Chapra (2000) argue that an Islamic economic system, grounded in moral values, provides sufficient resources for all through fair and just distribution, thereby negating the issue of scarcity at the level of basic needs.

“Nor did he urge the feeding of the poor” (QS. Al-Ma'arij 69:34) is part of a verse that describes the nature of people who are very rich but do not care about others. This verse relates to the nature of people who do not do good, do not give zakat or infaq, and do not care about those in need, especially the poor and destitute. In this verse, Allah SWT criticizes people who are reluctant to fulfill their social obligations, including feeding the poor, which is an important part of moral obligations in Islam.

Context of the Verse: This verse mentions "al-insān al-kafūr" or the ungrateful, namely people who are not grateful for the blessings that Allah has given, and do not carry out social obligations such as feeding the poor. This verse shows how wealth and material abundance can make a person feel arrogant and selfish, so that they ignore their social obligations.

According to Tafsir al-Jalalayn, this verse describes the condition of people who are unwilling to spend their wealth for the poor or those in need, even though they have the ability to do so. This verse is a critique of wealth that is not balanced with empathy or an obligation to share with those who are less fortunate. Tafsir Ibn Kathir also explains that this verse reminds the rich who prioritize themselves over paying attention to the poor, which is a manifestation of disbelief in Allah's blessings. In the Islamic view, someone who does not want to share with those in need not only fails to fulfill social obligations, but also shows ingratitude towards Allah's gifts.

The Importance of Context in Understanding Islamic Economics: This verse underlines the importance of wealth redistribution in Islam. In Islamic economics, wealth is not only seen as the property of individuals, but as a trust that must be used for the common good. Neglect of social obligations such as feeding the poor or paying zakat can create social inequality, which has the potential to cause problems of scarcity at the level of basic needs, even though natural resources are available in sufficient quantities.

This verse instructs us to not only feed the poor ourselves, but also to encourage others to do so. In other words, Muslims are expected to fight against poverty. If we do our duty, which is part of the general command to this Ummah to spread the good and prohibiting the evil, this will solve the problem of scarcity at the level of need. In addition, The Qur’an also addressed the crucial ways to accomplish this goal. A significant number of books have been written by Muslims scholars and a comprehensive collection of Ahadeeth and verses from the Qur'an that are relevant to the subject are presented in *Fazail-e-Sadaqat*. The following is a list of some essential components that make up the Islamic strategy for achieving this objective (Zaman, n.d.).

1. **Compassion**
   Islam emphasises to be compassionate towards others. The Quran writes about the Prophet PBUH that “heavily weighs upon him (the thought) that you might suffer, full of compassion and mercy towards the believers.” In other verses, the Prophet is described as being “Mercy for all mankind” (Zaman, n.d.).

   Those who feed others while being hungry themselves are praised in the Qur'an:

   > “Who love all that come to them in search of refuge, and who harbour in their hearts no grudge for whatever the others may have been given, but rather give them preference over themselves, even though poverty be their own lot: [13] for, such as from their own covetousness are saved - it is they, they that shall attain to a happy state!” (Q39:9)

   Umer Farooq R.A., Islam's second caliph, ate coarse bread because he was embarrassed to consume refined bread when not everyone else could. It is the proliferation of such sentiments that can solve the world's problems today (Zaman, n.d.).

2. **Infaq**

In Islam, spending wealth for the sake of Allah SWT is greatly emphasized as this is one of the primary purposes in acquisition of wealth. In the opening lines of the Quran, believers are described as those who spend on others (Zaman, n.d.):

> This divine writ - let there be no doubt about it - is a guidance for all the God- conscious. Who believe in [the existence of] that which is beyond the reach of human perception, and are constant in prayer, and spend on others out of what We provide for them as sustenance. (Q2:2-3)

Those who sought the prophet's guidance regarding the best use for their surplus money were instructed to invest in the hereafter. The word *Infaq*, which translates to "spending for charity," is mentioned 167 times in the Quran (Kahf, n.d.). This is significantly more than the total number of times the four famous practical pillars of faith are mentioned together (Zaman, n.d.).

The number of Al-hadith that advocate spending for the sake of Allah is extremely large, and many collections of such Ahadith have been compiled into books over the years (for example, *Fazail-e-Sadaqat*). The goal of these is to change our ways of thinking so that we place a higher priority on the benefits that will be received in the Hereafter than on the benefits that will be received in this world. For example (Zaman, n.d.):

> The parable of those who spend their substance in the way of Allah is that of a grain of corn: it groweth seven years, and each ear Hath a hundred grains. Allah giveth manifold increase to whom He pleaseth: And Allah careth for all and He knoweth all things. (2:261)

In Hadith, it is narrated by Ayesha r.a. that a goat was sacrificed, and the meat was distributed. The Prophet PBUH. asked about what was left. Ayesha r.a. responded that only one shoulder of the goat remained. The Prophet PBUH. said that everything remains except for this shoulder – that is, that which has been distributed has been permanently saved for the hereafter, while that which has not been distributed has been lost to the hereafter (Zaman, n.d.).

3. **Avoidance of Waste**

Spending above what is needed (Israf) wastes resources and deprives the needy. It is evident that Israf, spending more than what is necessary, results in tremendous inefficiencies, the loss of food that could have been used to feed the needy, and a general disregard for the needs of the poor.

Islamic Economic Solutions to Scarcity at The Level of Wants

Islam recognises the unlimited nature of wants. Islamic doctrine demonstrates that the accumulation of wealth or material resources would not result in the eradication of 'scarcity,' as desires will increase as wealth grows. Accordingly, the cause of 'scarcity' is not a lack of wealth or material resources (as per Western notion), but rather the insatiable nature of desire.

The Qur'an's solution to scarcity at the level of 'wants' is to encourage people to live modest lifestyle, be content with what they have, and refrain from envying those with more. The Qur'an berates those who have taken their desires for their God (Al-Qur'an 45:23), and states that paradise is for those who fear God and restrict their desires (Al-Qur'an 79:41-42) (Zaman, n.d.).[70]

Allah SWT tells us not to be envious of the affluent lifestyles of people who do not believe in the day of Judgment, for all they have is this worldly life, which is pitifully limited in comparison to the next.

> Hence, do not covet the bounties which God has bestowed more abundantly on some of you than on others. Men shall have a benefit from what they earn, and women shall have a benefit from what they earn. Ask, therefore, God [to give you] out of His bounty: behold, God has indeed full knowledge of everything. (4:32)
>
> And yet, [it would be but for their own good] if they were to content themselves with what God has given them and [caused] His Apostle [to give them], and would say, "God is enough for us! God will give us [whatever He wills] out of His bounty, and [will cause] His Apostle [to give us, too]: verily, unto God alone do we turn with hope!" (9:59)

1. **Prohibition of Envy**

Islam prohibits us to be envious of others, and advise us on how to avoid becoming envious.

> And in no wise covet those things in which Allah Hath estowed His gifts More freely on some of you than on others: To men is allotted what they earn, and to women what they earn: But ask Allah of His bounty. For Allah hath full knowledge of all things. (4:32)

The Prophet Muhammad PBUH instructed us to consider those who are less fortunate than ourselves in worldly matters in order to be grateful for what we have. Making others envious and jealous of us by conspicuous consumption is likewise forbidden in Islam.

However, in capitalist economic system, envy has become a significant element, evidently present in marketing strategy (Mamun, 2012). As such Western advertisement for luxury products often time encourage consumers to be envious of their neighbours, and be the first to own some new product. This has been identified as source of waste and unhappiness in capitalist economies (Veblen, 1899; Layard, 2005).

In full opposites, the Prophet PBUH urged us to set aside a portion of the fruit we purchased for our neighbour; if we were unable to do so, he instructed us to bury the fruit's peel so that our neighbour's children would not see it and experience sorrow. Our Prophet PBUH stated: "Do not let the smoke from your house bother your neighbour,"- that is, if your neighbour can smell your food, you should share it with him.

According to Zaman, undated, true wealth resides in a heart with a generous temperament. Implementing this level of concern for others in our hearts would make a small number of material commodities go a great way toward meeting social needs. To prevent envy, the wealthy should conceal their wealth, which is the exact opposite of conspicuous consumption. In addition, the poor are exhorted not to be envious of the wealthy, but to be content with their lot (Zaman, n.d.).

2. **Avoidance of Tabzeer**

While Israf is overspending, Tabzeer is to spend on things that are completely useless, illegal, or Haram.

If people only spent money on what they absolutely needed, there would be a significant drop in the demand for consumer products and a significant increase in savings. This would result in significant money becoming available for investment and welfare programmes, which would in turn contribute to increases in both economic growth and the general welfare of the underprivileged.

Nevertheless, capitalist society contain measures to prevent this reallocation of resources to useful objectives. The purpose of marketing is to create in people a sense of need for items that are entirely unnecessary. Veblen was the first to study conspicuous spending, which entails purchasing items to arouse the jealousy of one's neighbours or to establish one's status, both of which are prohibited in Islam. These lead to tremendously wasteful and inefficient market results that are not recognised as such by conventional economics, who assume that consumer demand is the final arbiter of what is or is not beneficial. As Muslims, we cannot accept this premise, as it also legitimises consumption of Haram (Zaman, n.d.).

Case Study: Nobel Prize Winning Analysis of Famines by Amartya Sen (1983)

Amartya Sen is a world-renowned Indian philosopher and humanitarian who was the first to be awarded the Nobel Prize in Economics (1998). He linked the economics to the objective of human welfare. For the first time, he shifted his economics studies to philosophy and ethics (Encyclopaedia Britannica, n.d.).

Amartya Ashutosh Sen was born in Shantiniketan (Kolkata), West Bengal, on November 3, 1933. He attended St. Gregory's School in Dhaka. Later, in 1953, he graduated from Presidency College in Kolkata with a BA in Economics. In 1955, he got his second B.A. in economics from Trinity College, Cambridge University. In 1959, he received both an MA and a Ph.D. from the same university (Encyclopaedia Britannica, n.d.).

In 1998, Amartya Sen received the Nobel Prize in Economics for his contributions to welfare economics and social equivalence theory. Amartya Sen made substantial contributions to economics by developing new concepts. In acknowledgment of his efforts, the Indian government bestowed the highest civilian honour in India, the "Bharat Ratna," on him in 1999.

As follows are Amartya Sen analysis of famines from his book ‘Poverty and Famine: An Essay on Entitlement and Deprivation’(Sen, 1983).

a. **Starvation and Famine: -**

The major issue with hunger is starvation. However, Amartya Sen distinguished between starvation and famine. Amartya Sen defines famine and starvation as follows: "Every famine has starvation, but every starvation has no famine." According to him, the fundamental cause of the famine is a lack of rights. People who are hungry simply do not obtain enough food. This predicament emerges as a result of a lack of rights. In the midst of the hunger, three issues must be addressed (Yadav Madhukar, n.d.).

1. Normal decrease in diet.
2. Continuous reduction in dietary intake.
3. A sudden decrease in diet.

The third component is associated with famine. Famine, in a nutshell, causes hunger. The second factor is insufficient eligibility. Even in normal conditions, a lack of entitlement can lead to hunger (without famine). Famine, in turn, severely restricts the food rights of some individuals. As a result, many die of starvation. Famine is, without a question, a dreadful sort of hunger. But there is a distinction to be made between famine and hunger. Because famine has a bigger impact on the poor, and they have less trading rights. According to Amartya Sen, "there is not a single famine in history that has had the same impact on all sectors of society". As a result, Amartya Sen associated hunger with the realm of Entitlement (Yadav Madhukar, n.d.).

b. Poverty and Famine:

There is no question, according to Amartya Sen, that hunger increases dramatically during famines. However, the repercussions of famine do not affect all segments of society equally. The famine has a bigger impact on the community's impoverished, particularly those with fewer food rights. Not everyone in society has an equal right to eat. As a result, when food grain output is low, the law becomes more significant (Quddus & Associate, 2009). As a result, for some segments of society, a little decrease in food production results in a significant decrease in food supply. Amartya Sen explained in his book Poverty and Femine that via an in-depth analysis of the famine in Bengal, the impact of the famine on landless farm labourers, non-agricultural employees, nomadic pastoral communities, rural workers, and small farmers is larger. In summary, famine has a greater impact on the poor, particularly those with little authority over food production, according to Sen (Yadav Madhukar, n.d.).

Hence, although it was widely assumed food shortages caused famines, this was completely untrue. As detailed analysis by Sen revealed that the landless labourers were the most vulnerable segment, unable to find work when crop failures occurred. According to Sen it was inability to earn a living, as contrast to food scarcity, which resulted in famines.

Sen said that because they could not earn a living, society did not consider them "entitled" to food. He describes how, at a time when people were dying of hunger, food was being shipped out of famine areas - strangers had money to pay for the food that the needy people did not.

JIEP: Journal of Islamic Economics and Philanthropy
Volume 7, Number 4, May 2025
E-ISSN: 2655-335X
https://ejournal.unida.gontor.ac.id/index.php/JIEP/index

As stated in the Qur'an, Allah SWT provides sustenance for everyone. Therefore, the idea that famines occur due to shortages of food is considered invalid. Allah mentions in Surah Hud, "There is no moving creature on earth but its sustenance is dependent on Allah" (11:6). This verse emphasizes that Allah, in His infinite mercy and power, ensures that every living being is provided for. However, it also implicitly underscores human responsibility in the equitable distribution of resources.

The verse calls for humans to fulfill their duties by ensuring that the sustenance granted by Allah is shared justly among all people, particularly those in need. According to Tafsir al-Jalalayn, this ayah highlights that Allah is the sole provider, but it also calls for human beings to act as stewards of the wealth and resources they possess. Islam encourages a system where resources are not hoarded by the rich, but instead, wealth circulates through practices like zakat and sadaqah to help those who are less fortunate (Ascarya, 2022).

Islam facilitates the realization of this principle through various mechanisms in its socio-economic system, such as the mandatory payment of zakat, which redistributes wealth from the rich to the poor, thereby ensuring that basic needs are met and reducing inequality. The concept of infak (voluntary charity) further supports this by encouraging Muslims to give beyond their obligatory duties, fostering a spirit of generosity and social justice.

CONCLUSION

This study highlights the understanding of the conventional economic problem, scarcity and how in contrast the perception of it in Islamic economics. While scarcity is the central problem for both conventional and Islamic economics, in Islamic economics only relative scarcity is recognised. The ummah welfare is put forth as the ultimate goal, hence Islamic philanthropy tools such as Infaq, Zakat and Waqf fundamentally aid many of those conventional economics policies unable to do so. Islamic philanthropy becomes the winning token to not only take on many conventional economic challenges, but also become the stepping stone to create growth in the economy. The findings illustrate that Islamic philanthropy has been successful in resolving many conventional economic problems, providing long-term solutions that are consistent with the values of equality, compassion, and community welfare. Furthermore, the study emphasises the ability of these philanthropic methods to contribute to overall economic stability and long-term societal well-being.

REFERENCES

Al-Qur'an Al-Karim

Hadith

Ahmed, W., & Amir Ahmed, W. (2010). The concept of scarcity and its implication on human behaviour: Searching the Qur'anic perspective.

Daoud, A. (2010). Robbins and Malthus on scarcity, abundance, and sufficiency: The missing sociocultural element. American Journal of Economics and Sociology, 69(4), 1206–1229.

Encyclopaedia Britannica. (n.d.). Amartya Sen. Retrieved December 1, 2024, from https://www.britannica.com/biography/Amartya-Sen

Flew, A. (Ed.). (1984). A dictionary of philosophy (p. 300). St. Martin's Press.

Heyne, P., Peter, J., & Prychitko, D. (2014). The economic way of thinking (13th ed.). Pearson.

Ibnouf, F. O. (2012). The Value of Women's Indigenous Knowledge in Food Processing and Preservation for Achieving Household Food Security in Rural Sudan. *Journal of Food Research*, *1*(1), 238–253. https://doi.org/10.5539/jfr.v1n1p238

Junaidi, E., & Rizkiyah, P. D. (2013). Does contract type influence the Zakat , Infaq and Shadaqah donation of Islamic Microfinance customers ? Case study of Baitul Maal Wat Tamwil. *8th Conference on Islamic Economics and Finance*, 1–27.

Kahf, M. (n.d.). Infaq in the Islamic economic system. Retrieved from http://monzer.kahf.com

Lane, R. E. (2001). Loss of happiness in market economies. New Haven, CT: Yale University Press.

Layard, R. (2005). Happiness: Lessons from a new science. New York, NY: Penguin Press.

Ascarya, A. (2022). The role of Islamic social finance during Covid-19 pandemic in Indonesia's economic recovery. … *Journal of Islamic and Middle Eastern Finance and …*. https://doi.org/10.1108/IMEFM-07-2020-0351

Bonang, D., & Baihaqi, M. (2022). The Effect Of Trust, Brand Awareness, And Social Piety In Donation Decisions Through Digital Platforms. *Ulul Albab*.

Ibnouf, F. O. (2012). The Value of Women's Indigenous Knowledge in Food Processing and Preservation for Achieving Household Food Security in Rural Sudan. *Journal of Food Research*, *1*(1), 238–253. https://doi.org/10.5539/jfr.v1n1p238

Junaidi, E., & Rizkiyah, P. D. (2013). Does contract type influence the Zakat , Infaq and Shadaqah donation of Islamic Microfinance customers ? Case study of Baitul Maal Wat Tamwil. *8th Conference on Islamic Economics and Finance*, 1–27.

Mamun, C. A. Al. (2012). Assessing the Factors that Led to the Success of Microfinance in Bangladesh : A Case Study on Grameen Bank. *World Review of Business Research*, *2*(2), 75–90.

Muslihati, S, R. A., & Hamiruddin, R. A. (2021). Ideologi Dan Isme Dalam Sistem Ekonomi. *AT TAWAZUN: Ekonomi Islam*, *I*(I), 17–25.

Quddus, A., & Associate, S. (2009). Contribution of Zakat in the Social Development of Pakistan. *Pakistan Journal of Social Sciences (PJSS)*, *29*(2), 313–334.

Usman, H., Mulia, D., Chairy, C., & ... (2022). Integrating trust, religiosity and image into technology acceptance model: the case of the Islamic philanthropy in Indonesia. *Journal of Islamic …*. https://doi.org/10.1108/JIMA-01-2020-0020

Oran, A. (2012). Scarcity and the subject matter of Islamic economics. Review of Islamic Economics, 1(2), 1–24.

Perloff, J. M. (2008). Microeconomics (5th ed.). Addison-Wesley.

Robbins, L. (2014). An essay on the nature and significance of economic science (2nd ed.). London: Macmillan. (Original work published 1932)

Samuelson, P. A. (1980). Economics (11th ed.). McGraw-Hill.

Saripudin, U. (2016). Filantropi Islam dan pemberdayaan ekonomi. Jurnal Bisnis dan Manajemen Islam, 4(2), 166–185.

JIEP: Journal of Islamic Economics and Philanthropy
Volume 7, Number 4, May 2025
E-ISSN: 2655-335X
https://ejournal.unida.gontor.ac.id/index.php/JIEP/index

Sekolah, R. B., Ekonomi, T., Manajemen, D., Mr, I., & Prawiranegara, S. (n.d.). Comparing the concept of scarcity: Conventional vs. Islamic economics. Journal of Applied Business and Economics, 23(3), 2021, 258.

Sen, A. (1983). Poverty and famines: An essay on entitlement and deprivation. https://doi.org/10.1093/0198284632.001.0001

Stevenson, A., & Lindberg, C. (2011). Opportunity cost. Oxford University Press.

Taufiq Possumah, B., & Ghafar Ismail, A. (n.d.). The scarcity assumption, economic problem and the definition of economics: Revisited. Retrieved from http://www.ukm.my/ekonis

Veblen, T. (1899). The theory of the leisure class. New York, NY: Macmillan.

Xenos, N. (1984). Out of paradise: An essay on scarcity (Doctoral dissertation, Princeton University). Princeton University.

Xenos, N. (1989). Scarcity and modernity. Routledge.

Zaman, A. (n.d.). Scarcity: East and West. Journal of Islamic Economics, Banking and Finance, 6(1), 88–104. Retrieved September 18, 2022, from https://ibtra.com/pdf/journal/v6_n1_article3.pdf